DOCUMENT RESUME

ED 046 846 SO 000 635

AUTHOR	Lovell, Hugh, Ed.
TITLE	Teachers Guide to Economics in Grade 5.
INSTITUTION	Oregon State Board of Education, Salem.
PUB DATE	68
NOTE	74p.
AVAILABLE FROM	Joint Council on Economic Education, 1212 Avenue of the Americas, New York, New York 10036 ($2.00)
EDRS PRICE	EDRS Price MF-$0.65 HC-$3.29
DESCRIPTORS	Curriculum Development, *Economic Education, Economics, Elementary Grades, *Fundamental Concepts, Grade 5, Learning Activities, Multimedia Instruction, Projects, *Resource Guides, Social Studies, State Curriculum Guides, *Teaching Guides, *United States History
IDENTIFIERS	DEEP, *Developmental Economic Education Program

ABSTRACT

This guide traces and amplifies basic economic concepts through various periods in United States history, such as: 1) discovering the New World; 2) Colonial Period; 3) from the Revolution to the Civil War; 4) regional approach to the American economy; 5) modern period. The concepts deal with such issues as resources and their development and use, trade, specialization, taxes, and capital. For each concept and sub-concept there are suggested learning activities, lists of resources, and methods for evaluating student understanding of these concepts. Appendices provide an outline of the economic ideas to be included and emphasized, as well as statistical information on gross national product, and population and employment trends. See SO 000 132 for full information and related documents. (JLB)

EDO 46846

Grade 5

Teachers Guide To

ECONOMICS

SD 000 635

ISSUED BY THE OREGON BOARD OF EDUCATION • DALE PARNELL, SUPERINTENDENT OF PUBLIC INSTRUCTION, SALEM, OREGON
1968

ED 046846

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Teachers Guide To

ECONOMICS

IN GRADE 5

Edited by Hugh Lovell

APPROVED JULY 22, 1968, BY THE OREGON BOARD OF EDUCATION: RAY C. SWANSON, CHAIRMAN; MRS. GEORGE BEARD, VICE CHAIRMAN; ROBERT W. CHANDLER; RICHARD F. DEICH; EUGENE H. FISHER; THOMAS L. SCANLON; AND FRANCIS I. SMITH . . . . . JESSE V. FASOLD, SECRETARY

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Foreword

Many of the daily problems and issues that confront us as producers of goods and services, as consumers, and as citizens are economic in nature. A familiarity with economic facts and principles is prerequisite to an understanding of both our private affairs and local, state, and national affairs. The great issues of our time such as inflation, balance of payments, credit control, foreign aid, financing of schools and other public services, and rate of economic growth require a knowledge of economics if participants in our society are to interpret current events and make intelligent decisions.

Elements of economics have long been included in certain areas of the Oregon curriculum, but for the most part economic learnings have been left to chance. A carefully designed plan to teach a progression of economic concepts in the various elementary and secondary grades has not existed. The intention of the writers of this Guide, one in a series which will soon include a similar guide for each elementary grade, has been to present such a plan.

The increasing complexity of both personal and public economic affairs requires that schools no longer leave to chance student acquisition of economic knowledge and understanding. The series of TEACHERS GUIDES TO ECONOMICS identifies economic concepts that have been found within the grasp of pupils at each grade level. It also suggests many classroom materials and activities that can be employed within our existing social studies curriculum framework. The Guides are recommended for use by schools and teachers in Oregon public schools.

Since successful use of each Guide will require an understanding of basic economics by teachers, it is expected that school districts will find it necessary to provide in-service, through local workshops or other means, for teachers who lack exposure to the subject. It is hoped that the State Board of Education as well as Intermediate Education District Boards can lead out in providing these in-service training opportunities.

Curriculum officials of all Oregon schools are urged to study the program presented in this series of guides and determine ways by which they may be used to strengthen this important but often neglected subject.

Dale Parnell

Supt. of Public Instruction

Acknowledgments

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About This Guide

This Guide is one of a series prepared for the Oregon Board of Education by the Oregon Developmental Economic Education Program (DEEP). The Program is a three-year effort involving teachers, economists, curriculum specialists, and various educational agencies.* It has had three main objectives: (a) to find out what economic concepts could usefully be taught at various grade levels, (b) to find out how best to present them in the classroom, and (c) to make the results easy for classroom teachers to use. It is part of a nationwide program of the Joint Council on Economic Education.

The Guides themselves vary somewhat because the teachers who helped to write them felt that variations were needed to meet the special requirements of particular grade levels. All of them, however, follow the same general pattern. A table of contents lists a number of simply written "big ideas," or basic concepts, appropriate to a particular grade. These big ideas are expanded in the body of the Guide, which also includes teaching activities (more of them than any individual teacher is likely to use), lists of books and other resources, and suggestions for evaluating student understanding of the material. All of the Guides include a brief section on "Major Ideas and Sub-Ideas of Modern Economics." Some of them include appendixes with statistical or other information.

The idea of introducing economic materials into the primary grades, or even into higher grades, is a relatively new one. It frightened a number of teachers in the Program, and particularly those who had not had much previous academic work in economics. It frightened some of the rest of us as well. We are not frightened now because we know that ordinary teachers can teach economics to ordinary children, and with excellent results. However, some general observations may be helpful.

- Children like economics. They like it because it is important and because it is real. Money, going to the grocery store, and the fact that daddy goes away from home to work are very real things for the first grader. He likes economics because it helps him to understand what these things are all about. He likes it, too, because it helps him see that he plays a part in the real world, that he is a "producer," and, like daddy and the mailman, has valuable services to perform such as cleaning the blackboard or picking up his room.

- One does not have to stop teaching everything else in order to get economic ideas across. The best way to teach many economic concepts is to weave them into everyday classroom work. The proper question at the proper time may do more to bring home an economic concept than an elaborate week-long activity. Because of this, it is not necessary for teachers who want to introduce economics to abandon other subjects or to give up their favorite classroom activities. But new economic activities should be used when they fit the

*See Acknowledgments and Appendix for listings of participants.

curriculum. These Guides are filled with such activities. However, the idea is to enrich the established curriculum, not to replace it root and branch.

- Economics is more concerned with relationships to be understood than with facts to be memorized. This simplifies the teachers' task, but it does pose certain problems. The main one arises because economic concepts are interrelated -- it doesn't make much sense to teach one without sooner or later teaching others. In fact it is sometimes impossible to understand one economic concept unless one also understands another. One cannot understand why an American family needs money without also understanding why most Americans specialize in the production of things that their families cannot eat. For this reason, it is very important for a teacher to try to understand all the major economic concepts that relate to his grade level and for him to try to touch on all of them with his students, even though he may not have time to explore many of them in depth.

- Simple economic concepts won't tell the whole story. An economic system is characterized by all kinds of complex interrelationships between people and institutions. Even professional economists don't try to explain all these interrelationships at once. They try to ignore less important variables so they can concentrate on more important ones. The "big ideas" in these Guides focus on important economic variables, but they omit others that may apply to certain real-life situations. When students bring up a real-life situation which seems to contradict a "big idea," the teacher's best approach is to ask the class to help her reason out additional factors which are probably involved. This ability to reason out, or analyze, the factors which explain economic phenomena is, in the last analysis, the main stock in trade of the economist. Helping teachers and students to acquire this knack is one of the main objectives of the Oregon Developmental Economic Education Program.

The Oregon Developmental Economic Education Program is an activity of the Oregon Council on Economic Education. The Council, a non-profit, nonpartisan corporation, supported by business, farm, and labor organizations from all parts of the state, exists to encourage improved economic education in Oregon schools. The Council takes no position on economic issues. The views expressed in this teachers' Guide are those of its authors and consultants. They may or may not coincide with those of the Oregon Council.

HUGH LOVELL, Director
Oregon Developmental Economic Education Program

Discovering the New World

BIG IDEA

The discovery of the New World opened avenues of wealth and power to individuals and nations of the Old World. Voyages of exploration were important to a nation's plans for growth and power because they promised gold, new supplies of natural resources, or strategic positions along important trade routes. They also promised wealth and power for successful explorers and their men.

SUPPORTING CONCEPT 1

THE EXPLORERS AND COLONISTS HAD TO RUN GREAT RISKS AND BEAR GREAT COSTS. THEY WERE WILLING TO DO THIS BECAUSE THEY HOPED THAT THE REWARDS WOULD MAKE THE RISK AND EXPENSE WORTH WHILE.

ACTIVITIES

Would the New World have been discovered if the kings and queens of Europe had had refrigeration? (Point out the importance of spices for the preservation of food.)

Make a wall map showing the location of various spices in the Far East (attach samples to the map). Place lines or yarn along the trade routes between the Far East and the various European cities. Add pictures showing how the spices were carried over various legs of the route.

After the discovery of America add drawings of furs, gold, silver, timber, and tobacco to the map to show how Spain, Portugal, Italy, Holland, England, and France increased their trade with the New World.

Discussion: The merchants of Genoa, Venice, and Constantinople were wealthy and powerful in 1500. Why didn't they finance expeditions to the New World? Think of some of the reasons why they might have been foolish to have done such a thing (among others, less profit and more risk than from their established spice trade to the Orient). Think of some reasons why they might have been foolish not to have tried an expedition of their own.

Make poster-sized "Fact Sheets" for each nation involved in the discovery of the New World. The sheets should be the same size and follow the same format. Arrange the posters around the suggested wall map with yarn connecting each explorer, product, or nation of the poster to the appropriate route, source, or area on the map.

(more)

Activities (continued)

Prepare charts or posters about specific expeditions: Leif the Lucky, Columbus, John Cabot, Cortés, De Soto (use successes and failures). The charts should explain —

What was planned
Who put up the money
How big the expedition was (lots of ships and men or just a few)
Where it went and what it discovered
If everyone thought it was a success

Role playing: (1) A specific explorer seeks financial backing from noblemen or merchants who aren't convinced that the venture will be a success. They ask questions about what he intends to do and why and what he needs. The explorer talks about new trade routes, new land acquisitions, or valuable and exotic goods that might be found. (2) The explorer returns to his backers with a report on his success or failure. He explains what happened and seeks support for a new venture.

Letter writing: You are fifteen years old. Columbus has asked you to go with him on an expedition. Your family doesn't want you to go. Write to an uncle or a grandmother explaining what the expedition is all about and why he or she should convince your family to let you go. Or have girls and boys write letters asking permission to join the Jamestown colony.

EVALUATION

The children had an opportunity to talk or think about the idea that if a particular expedition had not been organized, its people and its equipment could have been used for other useful purposes (to grow food at home, to carry merchandise or spices from place to place).

Can they explain what the explorers, their men, and their backers hoped to gain from specific expeditions?

Can they list some of the gains that resulted from the voyages of exploration, or from specific voyages, and some of the things that were discovered that had no immediate economic significance?

RESOURCES

BOOKS

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 18-32

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 36-66 (state-adopted text)

Resources (continued)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 27-39, 73-89 (state-adopted text)

Hanna, Paul R. and Others: In All Our States, Scott, Foresman and Company, Chicago, 1965, pp. 85-89

FILMS AND FILMSTRIPS

"Early Settlers of New England," Encyclopaedia Britannica Films, 1940, 11 min., Sd.F., 5-12. Produced in collaboration with Director of Pioneers' Village, Salem. Shows various phases of pioneer life in 1626.

"Early Settlers of New England," Encyclopaedia Britannica Films, 1949, American History Series, 76 frames, FS, 7-12. Shows how the settlers in 1626 Salem solved problems of food, shelter, and clothing.

"Jamestown Develops Trade" (Jamestown: the settlement and its people), Encyclopaedia Britannica Films, 1959, FS, 50 frames, c, 4-11. Outlines the economic problems of the colony. Lack of industrial and agricultural experience almost ruined the colony until John Rolfe developed tobacco as a trade crop and saved the colony.

"Life in Eighteenth Century Williamsburg, Virginia," Colonial Williamsburg Films, 1943, 44 min., c, Sd.F. Story of a day in the home life of the Christopher Kendall family.

"Life in New Netherlands," Colonial Life Series, Curriculum Materials Corp., 1951, FS, 31 frames, c, 4-9

"Middle Colonies," Early American History Series, Young America Films, 1953, FS, 38 frames, c, 4-12

"Patroon's Gift," Children of Early American Series, Set 2, Young America Films, 1950, FS, 43 frames, c, 4-8. Adventures of a Dutch boy in New Amsterdam in 1660.

"Pilgrims," Encyclopaedia Britannica Films, Produced in London, 1955, Sd.F., 22 min., 7-12. Recreates events which lead to settlement of the first English colony in New England. Depicts first winter, problems of government, relationship between settlers and Indians, and celebration of first Thanksgiving

Colonial Period

BIG IDEA

The American colonists were faced with a difficult economic problem. They had to have food, clothing, shelter, and many other things. But, while many natural resources were available to them, they were short of labor and very short of tools and equipment. Because of this, they had to make choices: What or whom should they leave behind if there wasn't enough room on the ship? What should they do first when they landed — explore, build shelters, find food for the winter, clear land for farming? What were the best crops to plant on the new land? What could they do to earn money with which to buy new tools or new supplies from England? What should be the relationship between the colonies and the mother country?

SUPPORTING CONCEPTS

1. The colonists did not have enough natural resources, enough labor, or enough tools to supply them with everything they wanted or needed. Therefore, they had to be careful to use their resources to produce those things that were most important to them.

2. As time went on, the colonists took advantage of their special resources and began to specialize in the production of goods and services which they could sell to customers in other colonies or in England.

3. The British passed tax laws to make the colonies pay for their own government and for the costs of defense against the French and the Indians. They also passed laws to benefit their own businessmen in their dealings with the colonies. The colonists were encouraged to buy their manufactured goods from England instead of buying them from other places or producing them in the colonies. They were encouraged to sell only to English businessmen instead of to buyers in other countries who might have paid more. Such laws forced the colonists to pay more for their purchases and to accept less for the products that they sold.

SUPPORTING CONCEPT 1

THE COLONISTS DID NOT HAVE ENOUGH NATURAL RESOURCES OR ENOUGH LABOR OR ENOUGH TOOLS TO SUPPLY THEM WITH EVERYTHING THEY WANTED OR NEEDED. THEREFORE, THEY HAD TO BE CAREFUL TO USE THEIR RESOURCES TO PRODUCE THOSE THINGS THAT WERE MOST IMPORTANT TO THEM.

ACTIVITIES

Choice game: The Captain says that the Mayflower is almost fully loaded. There is, in fact, room for only two of the following items. Let the children decide which two should be loaded on board and which should be left behind.

1 cow	3 farmers	5 kegs of seed
1 horse	3 women	5 kegs of flour
3 soldiers	3 kegs gunpowder	1 set carpenter's tools
1 set blacksmith's tools		

(more)

Activities (continued)

Also, think or read about the things that Robinson Crusoe salvaged from the wreck of his ship. What did he salvage first? What didn't he bother with? Did he have to do without anything in order to do his salvaging?

Show films or filmstrips about life in the colonies. Before showing the films, ask the children to watch for signs of (a) a labor shortage, (b) a shortage of materials, and (c) poor or inadequate tools.

Look at books or films about colonial life and make a list of resources that were available to the colonists and how they were used. Make charts showing what alternatives were given up by the colonists when they chose to use the resources as they did.

Resource	Use Made of It	Alternative Uses
keg of nails	build food cooler	add room to house shelter for horses bridge over creek signpost on road

Conduct a colonial "invention" contest. Students might invent (and then make or draw pictures of) special fireplaces, reflectors for candles, cooking pot combinations, many-purpose wheelbarrows, etc.

Have the children pretend that they are with the original Plymouth party. After the first winter in America, they write letters home. They describe the hardships. They make lists of things they would like to have sent them by the next ship, marking the most important with a 1, the next most important with a 2, and so on. Do the children agree about which items are the most important?

To illustrate how ways of life have changed since the colonial period, have the children make lists of things that families use today. Then cross out any items not available to a colonial family and add necessary colonial items to the list; e.g., flint and steel, warming pan, churn, musket, spinning wheel.

Make recruiting posters designed to attract indentured servants for a voyage from England to the colonies. Stress opportunities in the colonies and bad conditions in England. Should special inducements be offered to young people, to those with children, or to those with special skills — blacksmiths, carpenters, gunsmiths, millers, weavers?

Compare the daily work done by members of a colonial family with that done by members of a modern family. (Stress the idea that the division of labor helps get more work done with less time and effort.)

(more)

Activities (continued)

	Colonial Family			Your Own Family		
	Father	Mother	Child	Father	Mother	Child
5 AM	chops wood	makes fire	sleeps	sleeps	sleeps	sleeps
6 AM	feeds stock	feeds children	gets water	washes	cooks	sleeps
7 AM	starts work	grinds corn	gathers wood	eats breakfast		

Consider the colony at Roanoke Island. It began well with the building of homes and a fort, and it looked forward to more settlers and supplies from England. Because of difficulties at home, the relief ship didn't arrive until four years later and by then the colonists had disappeared. Was it because, without supplies from home, they couldn't exist in America? What additional supplies would they have needed?

Discussion: Mistakes that the colonists and explorers made. If the children see something wrong, they discuss it with the class to see if it was a mistake and, if so, why it happened. For example —

Why did the Spaniards and Champlain wear heavy steel armour when they went to fight the Indians?

Why didn't the Dutch inhabitants of New Amsterdam make wooden houses instead of bringing bricks and tile (for roofs) all the way from Holland?

Why did the Pilgrims cut logs up into boards and then make board houses instead of building log cabins in the first place?

Would we be likely to make such mistakes today? (These examples are probably best explained by tradition. The Dutch used bricks and tile because bricks and tile were the traditional way of building houses. Today we might ask, "Is it worth while for us to pay extra money so as to make a house of brick?")

EVALUATION

Do the children use the word "resource" to include tools (and other capital goods) and labor as well as natural resources of various kinds?

Can they list some resources that the colonists were short of — and some they had in relatively great supply (e.g., trees, land, water)?

Can they think up an imaginary situation in which a colonial

(more)

Evaluation (continued)

family has to decide between alternative uses of the same resource — and explain what it had to give up when it made the decision it did?

Can they think of an illustration — colonial or modern — to show how division of labor helps get work done quicker or easier?

Can they explain why the leader of a colony would have preferred skilled settlers to those who had no special skills?

SUPPORTING CONCEPT 2

AS TIME WENT ON, THE COLONIES TOOK ADVANTAGE OF THEIR SPECIAL RESOURCES AND BEGAN TO SPECIALIZE IN THE PRODUCTION OF GOODS AND SERVICES WHICH THEY COULD SELL TO CUSTOMERS IN OTHER COLONIES OR IN ENGLAND.

ACTIVITIES

Was it possible for the colonists to produce everything they needed? Make a list of the things that a colonial family used. Which of them could it produce itself? Which of them would it have to buy from someone else? How would it get money to pay for such things?

Role play a situation in which the leader of a prospective colony seeks a royal charter and funds with which to get the colony going. (Remember that many of the colonies were business ventures.) A royal committee asks the leader and his aides questions like these —

- What colony do you have in mind? (Jamestown, Maryland, etc.)
- What will you need to get it started? (ships, soldiers, men and women, seed, carpenter and blacksmith tools.)
- What goods and services will the colony produce for its own use and for sale to others? Why will it specialize in these products instead of something else?
- How will the colony earn enough to pay for the things it buys from England and to pay back those who put up the money in the first place?

Make posters to show "How Various Colonies Specialized." For example —

MASSACHUSETTS earned money by specializing in fishing, shipping, and the sale of naval supplies. Massachusetts had poor land and a bad climate. It was hard to grow things there.

VIRGINIA earned money by specializing in tobacco. Virginia had good land and a good climate, but it was more profitable for her to grow tobacco than for her to grow other things.

PENNSYLVANIA earned money by specializing in wheat and

(more)

Activities (continued)

other foods. Pennsylvania had a good climate, but Virginia was a better place to grow tobacco. Massachusetts was a better place for fishing, shipping, and naval supplies.

Make a list of colonial occupations— shipwrights, coopers, carpenters, blacksmiths, printers, wheelwrights, millers. Why were specialists needed then? Who taught these people how to perform their specialized tasks?

Discuss specialization today:

Think about the people who work at the school or in the neighborhood. Do they have specialized jobs? (Teaching, being a principal or a janitor, being a doctor or a barber.) Why do they specialize? How did they get to be specialists?

Go through the yellow pages of the telephone directory and look for specialized businesses and occupations. Why are there so many?

Think about cities, states, or countries that specialize in particular products. (Detroit - automobiles; Oregon - lumber, wheat, tourism; Brazil - coffee) Why do they specialize?

Make a large wall or relief map of the Eastern region. (For a relief map use a mixture of sawdust and wheat paste, paper pulp, papier-mache, or clay.)

Show physical characteristics — rivers, fishing grounds, harbors, forests, the fall line, the Appalachian highlands, the Piedmont, the coastal plain.

Show man-made features — various colonies, cities and towns, grain mills, and lumber mills along the fall line, roads.

Show the products in which the various areas specialized: tobacco, wheat, corn, fish, naval supplies, ships.

Make movable ships and put them on the map to show how the colonial trading patterns worked. Show ships going to England with naval supplies from Massachusetts and tobacco from Virginia, and selling them for money with which to buy English goods for all the colonies. How did Pennsylvania and the Middle Colonies get money for the English goods? (By selling food to New England and Virginia, so show ships carrying the food up and down the coast as well.)

EVALUATION

Can the students identify the connection between the resources available to a colony and the products that it came to produce for other places?

Can they explain why each of the colonies had to produce something that it could sell or send to England?

Can they begin to explain why the colonies would have been worse off if they had tried to be entirely self-sufficient?

Can they name two or three modern places that specialize in particular products which they sell elsewhere?

SUPPORTING CONCEPT 3

THE BRITISH PASSED TAX LAWS TO MAKE THE COLONIES PAY FOR THEIR OWN GOVERNMENT AND FOR THE COSTS OF DEFENSE AGAINST THE FRENCH AND THE INDIANS. THEY ALSO PASSED LAWS TO BENEFIT THEIR OWN BUSINESSMEN IN THEIR DEALINGS WITH THE COLONIES. THE COLONISTS WERE ENCOURAGED TO BUY THEIR MANUFACTURED GOODS FROM ENGLAND INSTEAD OF BUYING THEM FROM OTHER PLACES OR PRODUCING THEM IN THE COLONIES. THEY WERE ENCOURAGED TO SELL ONLY TO ENGLISH BUSINESSMEN INSTEAD OF BUYERS IN OTHER COUNTRIES WHO MIGHT HAVE PAID MORE. SUCH LAWS FORCED THE COLONISTS TO PAY MORE FOR THEIR PURCHASES AND TO ACCEPT LESS FOR THE PRODUCTS THAT THEY SOLD.

ACTIVITIES

Discussion: Did England do the right thing when it passed tax laws to make the colonists pay for their own government and for the costs of defense against the French and the Indians? Why should English taxpayers have to pay the costs of colonial government and colonial defense?

Discussion: Did England do the right thing when she passed laws designed to help her own businessmen in their dealings with the colonies? Would it have been better to let colonial businessmen and English businessmen compete with each other without government help or interference?

Have (1) committee reports on the economic impact of particular English laws affecting the Colonies, OR (2) debates or panel discussions between English and colonial interests who favor passage (or repeal) of particular English laws, OR (3) an exchange of letters between colonists and their English relatives, again dealing with particular English laws and their economic impact, OR (4) the publication of a British and a colonial newspaper, each with its own editorial board, news staff, cartoonists, advertisers, and so on and each favoring the passage (or repeal) of particular English laws. Topics for any of these activities might include:

The law that said that only English or colonial ships could carry things to and from the colonies. Ask if any of the colonies were helped by such a law? (New England built, owned, and operated many of the ships.) Were any of them hurt? (It might have been cheaper to use

(more)

Activities (continued)

foreign ships.) Did the English benefit? (Those who owned and sailed ships probably did, but those who bought and sold colonial products probably had to pay more.) Do we have similar laws now? (Yes. Oregon lumber must be shipped to the East Coast on American ships.)

The law that said that the colonists were not to export hats, woolens, or iron products. Ask if this law hurt anyone in the colonies? (Perhaps. Some colonial manufacturers of hats, woolens, or iron might otherwise have been able to sell them overseas.) Did it help anyone in England? (Manufacturers of hats, woolens, or iron.) Did it hurt anyone? (Those who might otherwise have bought cheaper colonial products.)

Duties (tariffs) on glass, paint, lead, paper, and tea. Ask if these laws helped anyone in the colonies. (They might have helped colonial manufacturers of these products by making prices higher and might have helped colonial smugglers who brought them in without paying the tariff.) Did they hurt anyone in the colonies? (Colonial buyers probably had to pay higher prices.) Did they hurt anyone in England? (They might have hurt English manufacturers of these products, because with prices higher the colonists might have purchased less.)

The decision to crack down on smuggling by enforcing the Navigation Acts and by allowing search of colonial homes and businesses for smuggled goods. Ask if these laws hurt anyone in the colonies? (Smugglers and colonists who now had to pay higher prices for non-smuggled goods.)

EVALUATION

Can the students list two or three specific British laws that regulated colonial trading practices?

Can they name particular British, and colonial, interests who were probably helped or hurt by one of the regulations?

Can they think of whose economic interests would have been hurt by the revolution against England?

RESOURCES

BOOKS

Supporting Concept 1 (scarce resources)

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 23-31

Resources (continued)

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 98-101, 105 (state-adopted text)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 90-152

Supporting Concept 2 (specialization and trade)

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 32-36, 59-77

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966 pp. 109-115, 123-125, 127-128 (state-adopted text)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 90-152 (state-adopted text)

Hanna, Paul R. and Others: In All Our States, Scott, Foresman and Company, Chicago, 1965, pp. 52-53, 66, 118

Supporting Concept 3 (taxes, laws to benefit English businessmen)

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 108-112

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 100, 109-111, 114, 118, 125-128, 151-153 (state adopted texts)

FILMS AND FILMSTRIPS

"Causes of the American Revolution," Backgrounds of Our Freedom Series, Heritage Filmstrips, 1951, FS, 44 frames, 7-12

"Causes of the Revolution," Early American History Series, Young America Films, 1953, FS, 42 frames, c, 5-12

"Colonial Freedoms Are Threatened," Jam Handy Organization, 1955, FS, 39 frames, c, 5-9. Presents laws and events leading to the Revolution. Shows why these laws imposed on the colonists by England forced the colonists to band together.

"Development of the Thirteen Colonies," Development of the American Republic Series, SVE, 1956, FS, 41 frames, c, 7-12

From the Revolution To the Civil War

BIG IDEA

During this period, we acquired new land and a growing population, we introduced new inventions and new ways of doing things, and we added to our stock of machinery and other capital equipment.

However, we also made it easier for people in one part of our country to trade with those who lived elsewhere. Increased interregional trade contributed greatly to our economic growth because it meant increased specialization and more efficient use of the resources of each region. Improvements in our transportation system helped interregional trade; so did some of the provisions of our new Constitution; so did improvements in our system of money and banking.

The South's growing interest in cotton and the North's growing interest in manufacturing led to political arguments which helped cause the Civil War.

SUPPORTING CONCEPTS

1. With new land and a growing population, we could have produced more even if nothing else had changed. But things were changing. We were introducing new inventions and new ways of doing things. We were building up our supplies of machinery and factories (capital). Our living standards began to improve because we were producing more goods and services per person.

2. Our economy was becoming more specialized and more efficient. People and regions were concentrating more and more on goods or services that they could make or grow particularly well, goods or services that they sold to people in other places. New methods of transportation helped by making it easier and cheaper to ship things from place to place. Our new Constitution helped by removing the old restrictions on trade and by preventing the various states from enacting new ones.

3. An efficient system of money and banking encourages specialization and trade by making it easier for people in one place to do business with people in other places. It was for this reason that the Constitution of 1789 provided for a uniform national currency (until then the various states issued their own money). Banking businesses also appeared at about this time. They accepted deposits for safekeeping, made loans, and provided safe and convenient ways for buyers in one place to send money to sellers in other places.

4. Before long the South began to specialize in cotton, and to a lesser extent in tobacco, rice, and sugar. At the same time the northern and western states began to specialize in food crops and in manufactured products. These economic differences created political issues that helped cause the Civil War. The South relied on slave labor to produce its

Supporting Concepts (continued)

crops and it favored low tariffs, while the North and West favored high ones.

SUPPORTING CONCEPT 1

WITH NEW LAND AND A GROWING POPULATION, WE COULD HAVE PRODUCED MORE EVEN IF NOTHING ELSE HAD CHANGED. BUT THINGS WERE CHANGING. WE WERE INTRODUCING NEW INVENTIONS AND NEW WAYS OF DOING THINGS. WE WERE BUILDING UP OUR SUPPLIES OF MACHINERY AND FACTORIES (CAPITAL). OUR LIVING STANDARDS BEGAN TO IMPROVE BECAUSE WE WERE PRODUCING MORE GOODS AND SERVICES PER PERSON.

ACTIVITIES

Make maps to show how the size of the United States increased between 1776 and, say, 1850 or 1860. Make charts to show how the population grew. Use the figures in the Appendix, page 51.

Discussion: Did people live better in the 1850's than they did in the 1750's? Look at films and filmstrips or draw and display pictures of life in the 1750's and 1850's. List and talk about some of the differences. (Not everyone was better off. Frontiersmen and slaves didn't gain as much as people in established towns or farms.)

Make posters showing inventors and inventions and how they affected the way in which these Americans lived. For example —

Franklin stove. . . . 1742
Drip coffee pot (Benj. Thompson) 1785
Cotton gin (Eli Whitney 1793
Steam shovel (Robert Fulton) 1795
Grain elevator (Oliver Evans) 1800
Steam boat (Robert Fulton) 1807
"T" railroad rail . . 1830
McCormick reaper . . . 1831
Daguerreotype. 1832
Steel plow (John Deere) 1833
Clipper ships. . . . . 1840's
Anesthesia . . . . . 1840's
Telegraph (Samuel Morse) 1844
Sewing machine 1846
Safety pin 1849
Oil well 1859

Research and discussion: Have someone find out about patents and the Patent Office and make a report to the class. Do patents encourage inventors and inventions? Why does the Constitution give the power over patents to the Federal Government instead of leaving it to the states? Can all useful ideas be patented? Can the children find patent numbers or the words, "Pat. Pending" on any of the things they use?

Study the lives of people who helped to introduce new ways of doing things: Eli Whitney, Robert Fulton, DeWitt Clinton, John Jacob Astor. Look at the things they did, but also look at the risks they ran and the problems they had in raising money.

(more)

Activities (continued)

Have the children make "inventions" suitable for the period, or have them work out plans for some business ventures that might have been profitable at this time. Would businesses formed to sell these goods and services still be able to sell them today?

Explain that it took a lot of money to put some of the inventions or innovations into effect. Point out that—

An inventor might find a very rich man who could help, but that he might be reluctant to tie up all his money in an invention that might not work.

State and federal governments might help, and did, particularly on canal and railroad projects.

Many banks were founded in this period. They helped by accepting money from many depositors and by lending at interest to people who had worthwhile projects. (Banks are careful not to lend too much to one person and not to make too many risky loans.)

"Corporations" began to appear and a stockmarket was founded in 1791. An inventor who established a "corporation" could raise money by selling "shares" to a lot of people instead of finding one or two very rich backers. The stockmarket encouraged people to buy shares, because if they ever wanted to, they could take their shares to the stockmarket and sell them to someone else.

Point out or get a committee to report on the fact that Eli Whitney didn't just invent the cotton gin; he also introduced mass production. In the old days each gunsmith made an entire gun by hand. With Whitney's method, one man specialized in gun barrels, one in triggers, and one in putting all of the parts together. The parts had to be "interchangeable," or all alike, so they would fit. When this was done, guns and other things could be made faster and cheaper than ever before.

Ask the children how much automobiles or other modern products would cost if they were made by one man instead of by hundreds of men, each specializing on a particular part.

Experiment with "division of labor" in the classroom. Have each member of one team make an entire object; have members of another team concentrate on separate (and interchangeable) parts of the same object. Which team can produce more objects faster? (Guides for the earlier grades suggest gingerbread men, sorting crayons by color, etc.)

(more)

Activities (continued)

Explain that some of our skilled workers formed labor unions during this period. The "division of labor" hurt their wages by making it possible for unskilled workers to do things that they once did. Competition between machine-made and handmade goods also tended to hurt some of the skilled workers.

EVALUATION

Can the children use the phrase "economic growth" in two different ways; (i.e., a larger total output of goods and services versus a larger output of goods and services per capita)?

Can they explain why the Constitution provides for a patent system?

Are they able to compare the cost-risk-gain calculations of the explorers and the colonists with those of inventors and innovators?

Can they name modern situations in which "interchangeable parts" or "mass production" are important?

Can they give at least two reasons why "corporations" made it easier for inventors or innovators to raise money? (It was safer for rich people to put up money because they could divide it between several projects; it was possible for a number of people to put up money for a single project.)

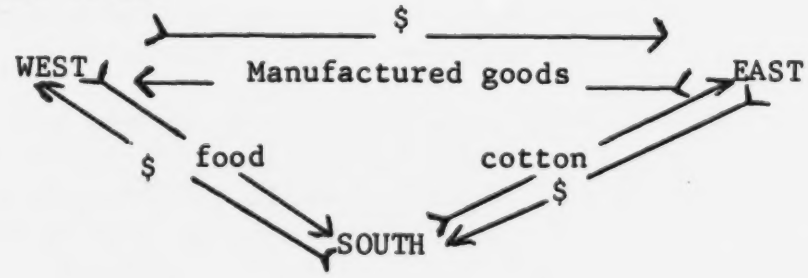
Can they name people who might have been hurt by particular inventions—skilled workmen by interchangeable parts, sailors and whalers by oil wells, stagecoach operators by the railroad?

SUPPORTING CONCEPT 2

OUR ECONOMY WAS BECOMING MORE SPECIALIZED AND MORE EFFICIENT. PEOPLE AND REGIONS WERE CONCENTRATING MORE AND MORE ON GOODS AND SERVICES THAT THEY COULD MAKE OR GROW PARTICULARLY WELL, GOODS OR SERVICES THAT THEY SOLD TO PEOPLE IN OTHER PLACES. NEW METHODS OF TRANSPORTATION HELPED BY MAKING IT EASIER AND CHEAPER TO SHIP THINGS FROM PLACE TO PLACE. OUR NEW CONSTITUTION HELPED BY REMOVING THE OLD RESTRICTIONS ON TRADE AND BY PREVENTING THE VARIOUS STATES FROM ENACTING NEW ONES.

ACTIVITIES

Draw a circular-flow diagram to show trade between the East, West, and South.



Activities (continued)

Why didn't the West grow cotton? Why didn't the South grow more food? (It was more profitable to grow and sell cotton and buy food.) How was the cotton shipped? The food? The manufactured goods?

A lot of cotton went to England in exchange for manufactured goods. This could be shown on the chart, but it would be more complicated. (It would involve English money as well as American money.)

Appoint committees to make maps or displays dealing with improvements in our transportation system. Have one of them concentrate on roads, another on railroads, another on canals, another on river transportation (flatboats, keel boats, and river steamboats).

The Erie Canal reduced the cost of shipping goods from Albany to Buffalo from $100 to $20 a ton. Ask the class to speculate about what this meant to—

The profits and incomes of wheat growers in Ohio and the West. (Probably up. They could now sell on Eastern markets.)

The price of wheat. (Probably down. The supply of Western wheat would increase.)

The profits and incomes of wheat growers near New York City. (Probably down, because of the lower wheat prices. Perhaps some of them would have to go out of business. New York is an expensive place to grow wheat.)

The incomes of people in New York City. (Probably up. A better opportunity to sell things to the West. Also, bread might be cheaper because of the cheaper wheat.)

Role playing: A series of situations in the life of a frontier family—

A young couple has a problem. There are many things they would like to have, but they can't have anything that is too big or too heavy to carry on horseback. They can't even buy things like that unless they can find something to sell for money — something small enough and light enough to carry on horseback. What can they find to sell? What can they find to buy with the money? Will they have to make <u>everything</u> themselves?

The couple is older now and has school-age children. There is a new wagon road to the East, and occasional flatboats drift down the river toward the Mississippi. But there are still problems. Unless the family can

(more)

Activities (continued)

find something to sell — something they can move to market somehow — they won't have any money. And without money they won't be able to buy any of the things that come from the East via Conestoga wagon. What can they find or make to sell? What wagon-carried things will they decide to buy; e.g., books and clothes and shoes for the children? What things will they have to make for themselves because they are too large and heavy for the wagons?

The couple, grandparents now, tell their grandchildren about the hardships of the good old days and about how things are better now. They explain that they earn money by sending crops to market on the new railroad and that they use the money to buy the manufactured goods the family uses — goods that are brought from other places on the railroad. It would be nice if the railroad wouldn't charge so much, and it would be nice if the crops sold for more money because then they could afford to buy more things.

Make the class a legislature. Have it vote on these proposals:

"I grow wheat near New York City. This cheap wheat from Ohio way is going to drive me out of business. Please pass a special tax (tariff) on Western wheat so the price will be higher and I can keep my farm." (Bring out the idea that the tax on wheat, while it might help the farmer, would hurt other people and would discourage specialization. The founding fathers may have been cruel, but they wanted specialization, so the Constitution forbids tariffs and other trade barriers between the states. - Article I, Section 9.)

"I want to build a hat factory in Connecticut. However, my hats will cost more than English hats, so no one will buy them. Please pass a special tax (tariff) on English hats, so they will cost more and people will buy my hats instead. Perhaps later on my hats will get cheaper, and we can remove the tariff. (Bring out the idea that the hat tariff, like the one on wheat, would discourage specialization. Explain that Alexander Hamilton and others favored such tariffs and persuaded Congress to pass them because they wanted to encourage American manufacturing businesses.)

Decide a Real Supreme Court Case. Thomas Gibbons wants to run a steamboat between New York City and Elizabethtown, New Jersey. Aaron Ogden, an associate of Robert Fulton (the man who invented the steamboat), says he cannot dock in New York unless he pays Fulton for the privilege. New York State has given Fulton a monopoly of the steamboat

(more)

Activities (continued)

traffic in New York, and no one can operate steamboats there unless Fulton gives them permission. Gibbons and his attorney, Daniel Webster, appeal to the Supreme Court. They say that the Gibbons steamboat is properly registered and licensed by the federal government and can go wherever it wants. The Constitution, they claim, says that only the Federal Government can regulate trade and commerce between one state and another. (Article I, Section 8)

Shouldn't New York be able to reward Robert Fulton for his invention? Shouldn't it be able to regulate steamboats or other kinds of transportation that come into New York from other states?

Didn't the men who wrote our Constitution want as much trade as possible between the states? Wouldn't laws and monopolies like this New York one increase transportation costs, cut down on trade, and make our economy less specialized and less efficient?

Would the class decide the case in favor of Gibbons? In favor of Ogden? (The Supreme Court said that the New York monopoly was unconstitutional and decided in favor of Gibbons. Gibbons v. Ogden, 4 Wheaton 122 (1810.)

EVALUATION

The students can list three or four products that they use that are produced by specialists in distant places (oranges, automobiles, shoes, television sets, baseball bats).

They have thought about what might happen to them if everything they use had to be carried from place to place by hand or on horseback.

They can give some modern examples of regions or places that specialize in particular goods or services (Hollywood - movies; Detroit - cars; Oregon - lumber).

They can name some people who might have benefited from laws that reduced the amount of trade between one place and another.

They can explain why the Constitution prevents the states from passing such laws.

SUPPORTING CONCEPT 3

AN EFFICIENT SYSTEM OF MONEY AND BANKING ENCOURAGES SPECIALIZATION AND TRADE BY MAKING IT EASIER FOR PEOPLE IN ONE PLACE TO DO BUSINESS WITH PEOPLE IN OTHER PLACES. IT WAS FOR THIS REASON THAT THE CONSTITUTION OF 1789 PRO-

Supporting Concept 3 (continued)

VIDED FOR A UNIFORM NATIONAL CURRENCY (UNTIL THEN THE VARIOUS STATES ISSUED THEIR OWN MONEY). BANKING BUSINESSES ALSO APPEARED AT ABOUT THIS TIME. THEY ACCEPTED DEPOSITS FOR SAFEKEEPING, MADE LOANS, AND PROVIDED SAFE AND CONVENIENT WAYS FOR BUYERS IN ONE PLACE TO SEND MONEY TO SELLERS IN OTHER PLACES.

ACTIVITIES

Review the concepts and activities in the Second Grade Teachers' Guide, "Money Makes It Easier to Buy and Sell Things," pp. 30-34.

Role playing to show the disadvantages of barter:
The teacher has a toothache
The miller wants to send his children to school
The hog farmer wants some flour
The dentist wants a hog

Nothing can be done until they all meet together in one place. (Now try the same situation, but with money.)

Discussion: What would happen if we had no money? How would people get paid? How would they buy things? (In the old days doctors and lawyers and teachers were sometimes paid with pigs and chickens. The trouble is that people don't specialize as much with barter because they have a hard time trading their specialized goods or services for the things they need. The lack of specialization hurts everyone, because people who don't specialize are usually less efficient and don't produce as much.) Explain that there was a shortage of money during the Colonial period and that this hurt specialization and trade.

Ask some of the children to bring foreign money to class (take proper precautions). Why do different countries have different kinds of money? (Tradition, mostly.) Can people who have foreign money spend it in America? Can Americans spend American money when they are overseas? (Not easily. People prefer their own money. However, banks will exchange foreign money for American money. Later the banks sell the foreign money to those who want to take it with them when they go overseas.)

What if Oregon had its very own money, and so did California? How would people from Oregon get money to spend in Disneyland? How would people from California get money to spend in Oregon? (They could exchange it at a bank, see preceding activity.) Point out that the various states printed their own money until the Constitution of 1789 provided for national currency. The founding fathers wanted to encourage specialization and trade and thought that a single kind of money would be a help.

Dramatize the following Ohio frontier scene: Ben Smith's wife, family, and dog welcome him home from a long and dangerous flatboat trip to New Orleans. He is glad to be

(more)

Activities (continued)

home, but he is sad and discouraged. "I sold the wheat and the flatboat for $100 in gold, but I lost the money. It must have slipped out of my pocket when I changed horses in Louisville."

Moral: There are possibilities of loss and robbery when money has to travel for long distances. It had to travel long distances when people in one part of the United States began to specialize on things they sold to people in other places. However, many new banks were established soon after the Revolution. They made it easier and safer to move the money around.

Ben Smith could have put his gold in the Bank of New Orleans and accepted a money order* instead. He could cash the money order at the Bank of Ohio when he got home. No one else could cash the money order but him, and if he lost it, he could write back to New Orleans for a new one.

It might never be necessary to ship the actual gold to Ohio. The Bank of New Orleans will owe the Bank of Ohio $100 when Ben Smith cashes the money order. But the debt will be cancelled out if someone asks the Bank of New Orleans to cash a $100 money order from the Bank of Ohio.

EVALUATION

Do the children relate the word "barter" to the swapping and trading they do on the playground?

Can they write a story about how people would get paid and buy and sell things if we had no money?

Can they explain how an American bank is able to pay American dollars in exchange for foreign money?

Can they explain, in simple terms, how a farmer in California gets paid for the oranges he sends to Oregon? (The Oregon grocer puts money in his bank and mails a check to the farmer. The farmer gives the check to his bank and gets his money. The farmer's bank sends the check to the Oregon bank and gets the grocer's money.)

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*He might have taken another type of "paper" but the money order idea seems easiest to understand.

SUPPORTING CONCEPT 4

BEFORE LONG THE SOUTH BEGAN TO SPECIALIZE IN COTTON AND TO A LESSER EXTENT IN TOBACCO, RICE, AND SUGAR. AT THE SAME TIME THE NORTHERN AND WESTERN STATES BEGAN TO SPECIALIZE IN FOOD CROPS AND IN MANUFACTURED PRODUCTS. THESE ECONOMIC DIFFERENCES CREATED POLITICAL ISSUES THAT HELPED CAUSE THE CIVIL WAR. THE SOUTH RELIED ON SLAVE LABOR TO PRODUCE ITS CROPS, AND IT FAVORED LOW TARIFFS, WHILE THE NORTH AND WEST FAVORED HIGH ONES.

ACTIVITIES

Point out that the South continued to specialize in cotton (it also grew tobacco, rice, and sugar), while the West and the North were beginning to produce more and more manufactured goods. Refer to the South-West-East circular-flow diagram on page 15.

Discuss the cotton economy of the South. Let the class figure out answers to questions like these:

Why wasn't cotton a major crop before the Revolution? (Because the cotton gin hadn't been invented.)

Where did the plantation owners sell the cotton? (To textile factories in England and in the North)

Why did the plantation owners specialize in cotton? (It was more profitable for them than other crops.)

Did the plantation owners want new western lands? (Yes, they wanted to establish more plantations so they could grow and sell more cotton.)

Why did the price of slaves go up — from about $300 in the 1790's to $1,400-$2,000 in 1860? (The demand for slaves went up because of the growing demand for cotton and because laws against the slave trade cut down on the supply.)

Develop a playlet or comic strip: "How English Textile Men Got Dollars to Buy Our Cotton"; for example:

English textile man to American plantation owner:	"I want to buy your cotton. Will you take my British pounds?"
Plantation owner:	"Sorry. I want to sell you my cotton but I must have dollars. No one in America will sell me things for pounds."
English manufacturer:	"I earned lots of dollars by selling my products in America, but I need pounds to pay my bills in England."
English textile man to English manufacturer:	"I will give you pounds if you will sell me your dollars. I need the dollars to buy the American cotton."

(more)

Activities (continued)

Explain that the Northerners and the Southerners quarrelled about tariffs (a tariff is a tax on imported goods). Can the children figure out how the following people would feel about a tariff on manufactured goods?

A northern manufacturer (Would probably like a tariff. A high tariff would make foreign goods more expensive. More Americans would then buy his product and he could charge more.)

A western farmer (Would probably dislike a tariff. A high tariff would mean higher prices for the manufactured goods he buys.)

A Southern Plantation owner (Would dislike a tariff a lot. A higher tariff would mean higher prices for his manufactured goods. It would also hurt the demand for his cotton — if the English manufacturer can't sell in America, where will the English textile man find dollars to buy American cotton?)

Arrange a panel discussion or a debate. Ask representatives of the North, the South, and the West to explain their views on such matters as —

Tariffs on manufactured goods
Laws for the recapture of runaway slaves
Government aid to railway builders
Laws to permit slavery on newly opened western lands
Laws to encourage the immigration of factory workers

Point out that all three sections had valid, although sometimes conflicting, points of view on these issues.

Discussion: Would everyone have been better off if the South had grown its own food and established its own factories, while the North and West grew their own cotton?

EVALUATION

Can the children give two Southern arguments against high tariffs? (Hurts the market for cotton, makes the things we buy expensive.)

Can they give a Northern argument for high tariffs? (By keeping foreign products out, creates more profits for northern manufacturers and more jobs for northern factory workers.)

Can they complete these sentences —

"The farmers in the West and New England could have planted the cotton and made it grow, but they didn't, because...." (they could earn more money by growing and selling other crops.)

(more)

Evaluation (continued)

"The farmers in the South could have planted more wheat and corn, but they didn't, because...." (they could earn more money by growing cotton.)

RESOURCES

BOOKS

General Books

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 142-154, 167-168, 221-229, 341-344

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 15, 169-173, 180, 183, 190-191, 198-201, 230-235 (state-adopted text)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 182, 185 (state-adopted text)

Hanna, Paul R. and Others: In All Our States, Scott, Foresman and Company, Chicago, 1965, pp. 24-29, 46, 72-74, 76-82, 110-115, 141, 143, 182, 187

Supporting Concept 4 (specialization in the North, South, West)

Burnett, O. L. and Others: Life in America - Past and Present, Harper and Row Publishers, Inc., New York, 1964, pp. 281, 286-293

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 183, 202-203, 209-220, 270-271, 274-275 (state-adopted text)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 187, 190, 197-198, 200 (state-adopted text)

Hanna, Paul R. and Others: In All Our States, Scott, Foresman and Company, Chicago, 1965, pp. 66-71, 90-94, 120-126, 136-139, 189-204, 218-220

FILMS AND FILMSTRIPS

"A Nation Is Born," Story of America Series, ICP, 1950, FS, 67 frames, 7-12. Covers the period from 1775-1800 in American history including the Revolutionary War, the Constitutional Convention, and other events.

"Civil War: Background Issues (1820-1860)," Sd.F., Coronet Films, 1963, 15 min., c. Analyzes the forty years of compromise between the economics and ways of life of the North and the South. Five major compromises discussed: The Missouri Compromise, The Wilmot Proviso, The Compromise of 1850, The Kansas-Nebraska Act, and The Dred Scott Decision

"Eli Whitney" (3rd Ed.), Great American Inventors, Curriculum Materials Corp., 1951, FS, 26 frames, c, 4-9

Resources (continued)

"Our Growing America," Parts 1-3, Joint Council on Economic Education, 1956, FS, 151 frames, c, 9-12. With accompanying tape. Shows the economic growth of our country.

"The South," Life in America, ICP, 1955, SP, 48 plates, 4-8. Picture story of the Southern states.

"The Story of Money," Arts of Civilization, Curriculum Materials Corp., FS, 26 frames, c, 4-6. This is a good introduction or summary film.

"Then and Now in New England," Then and Now in the United States, "Money," Basic Economics Series No. 2, Encyclopaedia Britannica Films, 1951, 64 frames, c., from bartering to money.

A Regional Approach To the American Economy

BIG IDEA

Different parts of the United States have different characteristics. They were settled at different times and by different kinds of people. They have their own climates, their own land forms, and their own natural resources. These differences and others led some of our people to specialize on the production of goods and services for which their regions were particularly well suited — goods and services which they sold to people who lived in other regions. At the same time the people in one region began to buy some of the things that they needed from specialists in other regions. In this way the various parts of the country began to take advantage of their particular skills or resources, and they began to develop their own industrial and economic characteristics as well as their own geographic and cultural ones.

SUPPORTING CONCEPTS

1. The people who live in one part of the United States buy many things that are produced in other parts of our country. Some of them earn money by making goods and services that are sold to people who live in their own region, but others earn money by making goods and services that are sold to people who live in other parts of the country.

2. Most of our regions have two kinds of industries. "Primary" industries take advantage of the special characteristics of a region and produce things for sale to people from other places. These "primary" industries tend to differ from one region to another. "Secondary" industries produce things for sale to people who live nearby. "Secondary" industries tend to be pretty much the same everywhere, because they can use local resources and because everybody wants their products (education, auto repairs, medical services, dry cleaning.)

SUPPORTING CONCEPT 1

THE PEOPLE WHO LIVE IN ONE PART OF THE UNITED STATES BUY MANY THINGS THAT ARE PRODUCED IN OTHER PARTS OF OUR COUNTRY. SOME OF THEM EARN MONEY BY MAKING GOODS AND SERVICES THAT ARE SOLD TO PEOPLE WHO LIVE IN THEIR OWN REGION, BUT OTHERS EARN MONEY BY MAKING GOODS AND SERVICES THAT ARE SOLD TO PEOPLE WHO LIVE IN OTHER PARTS OF THE COUNTRY.

ACTIVITIES

Have the students list some of the things their families buy. Which items were produced in Oregon? Which were imported from other places?

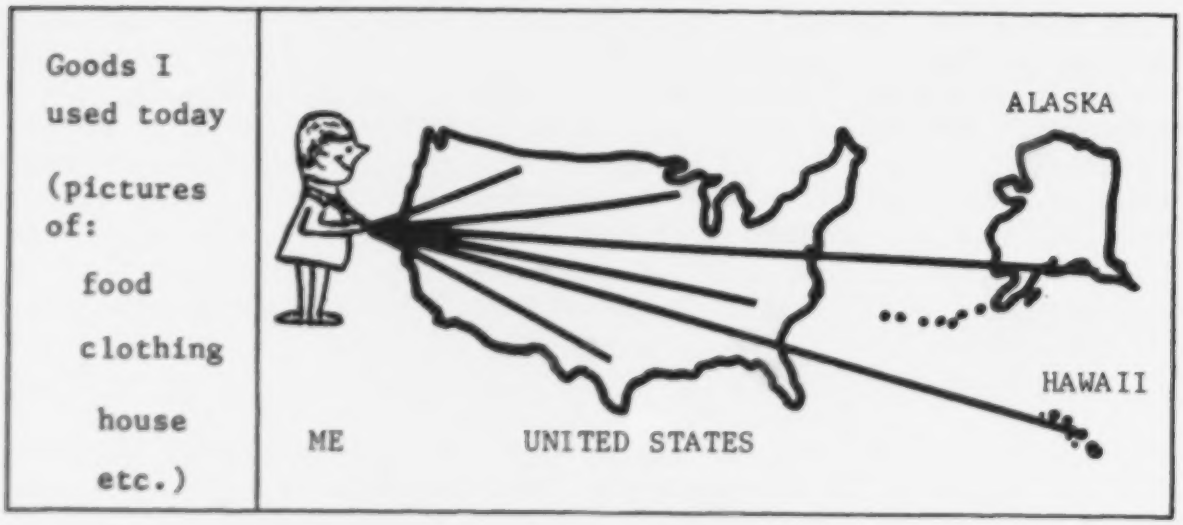
Have the students list some of the goods and services produced by members of their family. Which items are consumed locally? Which go to buyers in other places?

(more)

Activities (continued)

Write imaginary stories on topics such as "A day in which all the goods and services not produced in my home town or community disappeared."

Ask individuals or a group to make a chart to show where the things we use come from. Use colored lines or strings.



Ask individuals or a group to make a similar chart showing where some of the things made in your town are sold. Refer to "Things We Sell and Buy," page 52 of this Guide.

Discussion: Would it help our town if buyers in other places decided to buy a lot more of the things we send them? What if they decided to buy something we don't produce instead.

Assign "grab-bag essays." Ask a small committee to cut pictures of *different* products from a magazine and to paste them on the upper half of a sheet of paper. Pass out the sheets at random. Each student writes an essay about the product on his sheet. The essays should explain —

- Where the product was grown or manufactured
- What resources of land, labor, and capital were used to make it
- Where it was used
- What other things could have been made from those resources

If any of the students have questions, let them ask the committee that prepared the pictures. It can explain the setting from which the pictures were cut.

Use essays from the "grab-bag essay" or put a list of five to fifteen goods or services on the board (include a variety: fish, steel, wheat, oranges, lumber, synthetic goods, airplanes, shoes, clothing.)

(more)

Activities (continued)

Assign particular states or regions to children or groups of children and have them rank the products on the list according to the ability of their state or region to produce it.

Discuss which products a state or area would be best off producing. Students should recognize that all states cannot possibly produce the same thing and the teacher should be able to convince them that some states should concentrate on things that are ranked less than first or second on their list.

This activity has to do with the principle of "Comparative Advantage." See Appendix, page 53 of this Guide if you need a more detailed explanation.

EVALUATION

Can the children name several products that are brought to Oregon from other places?

Can the children list things that might make these products more expensive or more difficult for Oregonians to buy? (e.g., less efficient transportation, tariff laws, etc.)

Can they name three or four Oregon (or local) products that are sold in other places?

Can they explain how an increase (or decrease) in the demand for one of these products might affect them or their families?

Can they explain why Oregon buys oranges from California (instead of growing them here) and why California buys apples from Oregon (instead of growing them there)?

SUPPORTING CONCEPT 2

MOST OF OUR REGIONS HAVE TWO KINDS OF INDUSTRIES. "PRIMARY" INDUSTRIES TAKE ADVANTAGE OF THE SPECIAL CHARACTERISTICS OF A REGION AND PRODUCE THINGS FOR SALE TO PEOPLE FROM OTHER PLACES. THESE "PRIMARY" INDUSTRIES TEND TO DIFFER FROM ONE REGION TO ANOTHER. "SECONDARY" INDUSTRIES PRODUCE THINGS FOR SALE TO PEOPLE WHO LIVE NEARBY. "SECONDARY" INDUSTRIES TEND TO BE PRETTY MUCH THE SAME EVERYWHERE, BECAUSE THEY CAN USE LOCAL RESOURCES AND BECAUSE EVERYBODY WANTS THEIR PRODUCTS (EDUCATION, AUTO REPAIRS, MEDICAL SERVICES, DRY CLEANING).

ACTIVITIES

Make a large outline map of a state or region. Then —

Prepare a poster with information on population, area, climate, annual income, and pin it to the map.

Prepare a pie chart showing "The major industries of _____" and pin it to the map (plan on saving it to compare with those for other states). Use the

(more)

Activities (continued)

information from the Appendix article "Some Economic Comparisons Between United States Regions," page 54 of this Guide. Pie charts don't have to be too exact. Figure that 1/8th of the pie is approximately 10 percent — instead of exactly 12.5 percent — and go from there.

Collect, make, or send for pictures about the state or region, its industries, and its products. (Blank forms offering information can be found in Business Week, Nation's Business, and various trade magazines.) Pin the pictures to the map.

Make two lists, one of the state or region's primary industries, and one of its secondary industries. Put the lists on each side of the map and connect each item to the appropriate picture with string or yarn. (The "secondary" list will include such things as grocery stores, city bus lines, state and local government buildings, barber shops, garages, movie theaters, schools. It may be hard to find pictures of them or even to find traces of them in pictures of other things, but more than half of our people work in "secondary" industries.)

Discussion: Should a motel be counted as a "primary" industry or a "secondary" industry? What about a restaurant? (It depends. If many tourists from other states use the motel or restaurant, it should be counted as a "primary" industry, just like those that produce goods and services for buyers in other states. Tourism is a very important "primary" industry in some areas.)

Plan a class party around a state or region. The theme will probably be a "primary" industry like lumbering (Oregon or Washington), automobiles (Michigan), motion pictures (California). Refreshments could be based on agricultural products grown in the state.

And/or plan a Hawaiian luau. Decorate the room in authentic fashion, with an eye to Hawaiian history. Investigate the economy of Hawaii. Look for "primary" and "secondary" industries. Explore its climate, soil, labor supply, machinery, and other forms of capital. Find out what products it sells to the United States and elsewhere (don't forget tourism and defense) and what products it imports from other places. Have each person contribute an edible Hawaiian product for the luau — coconut, sugar, pineapple, poi, papaya.

Make travel brochures on an 18" x 24" sheet of art paper. (Show some samples first.) Possible topics: "Economic opportunities in _____," "Fun, money, and jobs in

(more)

Activities (continued)

_____," "_____the land of opportunity." Design the brochures for a particular purpose: to encourage tourist visitors, to encourage business to move to the state, etc.

Design some travel posters. Stress the major "primary" industries of the state or region as well as its tourist attractions.

EVALUATION

Can the children explain the difference between "primary" and "secondary" industries?

Can they give local examples of "primary" and "secondary" industries?

Can they list some of the primary industries of the state or region they are studying?

Can they explain how those industries are related to the special resources of that state or region?

Can they speculate on what an increase (or a decrease) in the demand for the product of one of the region's "primary" industries might mean? Do they know what has been happening to the demand for one of those products?

RESOURCES

BOOKS

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, Inc., New York, 1966, pp. 10-15, 236-241, 271, 286-287, 290-291, 293, 296-297, 300-301, 304 (state-adopted text)

Hanna, Paul R. and Others: In All Our States, Scott, Foresman and Company, Chicago, 1965, pp. 35-36, 57, 102-108, 144-153

FILMS AND FILMSTRIPS

"Arizona, Land of Color and Contrast," Standard Oil Co., Sd.F., 30 min., c, 6-12. Prehistoric ruins of ancient civilizations, relics of pioneer days, Indians and scenic attractions, today's inhabitants, commerce and agriculture.

"Forest at Work," West Coast Lumbermen's Assn., Sd.F., 13 min., c, 6-12. Depicts West Coast lumber and forest products, industries of Western Oregon, from forest to fireside, and emphasizes the economic importance of Oregon's leading industry.

"New York State," Middle Atlantic States, Haeseler, 1959, FS, 50 frames, 4-8, c. Shows importance of valleys and waterways: Hudson River, Lake Champlain, Mohawk Valley, canals and cities of the Canal Belt, Lake Ontario plain, Buffalo and Niagara.

Modern Period

BIG IDEA

Many of the basic characteristics of our modern economy emerged in the period between the Civil War and 1900. Important inventions and innovations were made, basic industries began to develop, giant corporations emerged, and labor unions were organized. With them came a gradual transition from a "do-it-yourself" economy, in which most goods and services were homemade, to a "market economy," in which nearly every product and nearly every resource was bought and sold.

Economic growth and change is a continuing process. We can measure it, and we can predict some of the changes that will affect the kind of jobs that today's fifth graders will do when they leave school.

SUPPORTING CONCEPTS

1. The colonists, the frontiersmen, and the pioneers were "do-it-yourself" people. They bought and sold a few things, but most of the things they needed were homemade. Nowadays, nearly every product and nearly every resource is bought and sold. Most of our people work for money or produce goods or services for sale. Most of our people buy nearly everything they need instead of making nearly everything for themselves. In a "market economy" like this, prices and wage rates and profits have a big impact on decisions about what to produce and how to produce it. They also have a lot to do with who can afford to buy the goods and services that are produced.

2. Our economy continues to grow and change. We continue to invent new products and new ways of doing things. We continue to add to our stock of machinery and factories. We continue to increase our population and its level of education. We continue to specialize. We have developed statistics (like Gross National Product) that help us measure the impact of these changes.

3. Most of our goods and services are produced by private businesses. Most of our businesses are quite small, but a few hundred very large businesses produce almost half our total output. Our governments don't produce very many goods, but they do produce a sizeable output of services.

4. Changes in the kinds of things that our economy produces often mean changes in the kind of work that people are hired to do. It looks as though fewer people are going to be employed in farming and in manufacturing, and more of them in service industries, and it looks as though employment opportunities are going to be best for those who have a high level of education.

SUPPORTING CONCEPT 1

THE COLONISTS, THE FRONTIERSMEN, AND THE PIONEERS WERE "DO-IT-YOURSELF" PEOPLE. THEY BOUGHT AND SOLD A FEW THINGS, BUT MOST OF THE THINGS THEY NEEDED WERE HOMEMADE. NOWADAYS, NEARLY EVERY PRODUCT AND NEARLY EVERY RESOURCE IS

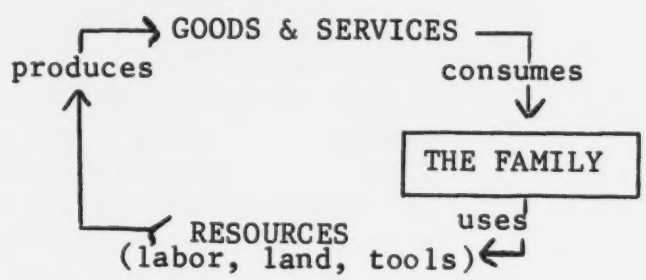
Supporting Concept 1 (continued)

BOUGHT AND SOLD. MOST OF OUR PEOPLE WORK FOR MONEY OR PRODUCE GOODS AND SERVICES FOR SALE. MOST OF OUR PEOPLE BUY NEARLY EVERYTHING THEY NEED INSTEAD OF MAKING NEARLY EVERYTHING FOR THEMSELVES. IN A "MARKET ECONOMY" LIKE THIS, PRICES AND WAGE RATES AND PROFITS HAVE A BIG IMPACT ON DECISIONS ABOUT WHAT TO PRODUCE AND HOW TO PRODUCE IT. THEY ALSO HAVE A LOT TO DO WITH WHO CAN AFFORD TO BUY THE GOODS AND SERVICES THAT ARE PRODUCED.

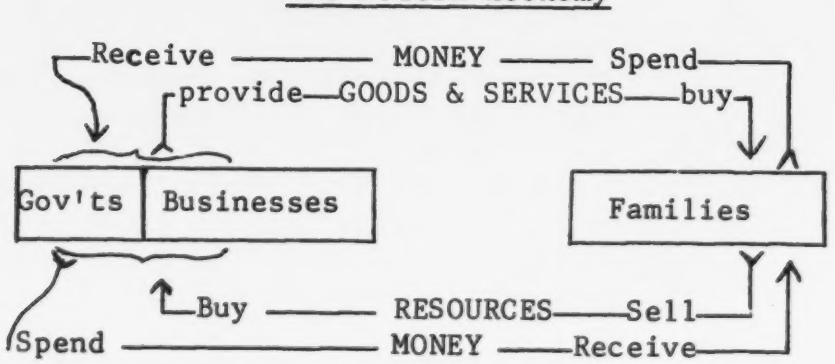
ACTIVITIES

Make a circular-flow diagram for a frontier family and compare it with one for the modern economy. Build them up step by step until they look like this:

The Frontier Economy



The Modern Economy



Assign essays to compare life on the frontier with life in the early towns (or with life today). Stress the growth of the "market economy" by asking —

Did most people on the frontier (in the town) work for themselves or for someone else?

Did most of them work exclusively for money or did they work for room and board as well?

Did people make most of the things they needed or did they buy most of them for money?

Did people sell most of the things they produced or did they and their families consume most of it themselves?

Research project: "Do mothers buy things that our grandmothers or great-grandmothers used to make?" The children ask their mothers or grandmothers what they do and what they can remember and put the results on a poster or bulletin board like this:

(more)

Activities (continued)

	Mothers	Grandmothers	Gr.-grandmothers
bread	buy	bought	baked at home
family clothes	buy	bought	made at home
canned vegetables	buy	bought	made at home
cookies and cakes	buy mix and bake	bought flour and sugar, mixed and baked at home	

Make a chart or poster, "How Children Tell Our Businesses What To Produce." It should say something like this —

The children wanted more bubble gum, so
They spent more money on bubble gum, so
The price of bubble gum went up, so
Gummaking became more profitable than before, so
Gum manufacturing companies wanted to make more gum, so
They needed more gum-makers, so
The wages of gum-makers tended to go up, so
More people became bubble gum makers, so
More bubble gum was produced, and
When there was enough gum for the children to buy,
The price of bubble gum didn't go up any more.

Make another one that begins, "The Children Decided That They Hated Ice Cream, so...."

Work on some family or personal decisions involving prices and wages. Use role playing or have students write essays explaining why one choice is better than others. Then let the class decide what it thinks.

"Which stove or refrigerator should we buy?" Go to a Montgomery Ward or Sears Roebuck catalog for pictures, specifications, and prices of actual items. Have a "husband" and a "wife" argue about whether the most expensive one is worth the price, if a cheaper one would do the job as well, etc.

"Which job should I choose?" Give the list of men's jobs to boys and the list of women's jobs to girls. Have each of them choose one of the jobs and explain why it was chosen. Was the pay important? The cost of training? What else mattered? Which job would they choose if they all paid the same money?

(See chart on next page)

Activities (continued)

Weekly Pay, 1966*

Jobs for Men		Jobs for Women	
Office boys	$ 66.50	Office girl	$ 60.00
Janitors**	87.60	Elevator operator**	64.80
Draftsman	100.00	Typist	72.00
Truckdriver**	131.20	Switchboard Operator-receptionist	75.00
Tool and die maker**	143.20	Stenographer	82.00
Painter,maintenance**	148.40	Janitoress**	82.80

Discussion questions:

Who tells businessmen to stop making things consumers don't want any more? (examples: buggy whips, milk churns, stagecoaches, steam locomotives, crystal radios) Answer: No one tells them to stop, but when people don't buy, prices and profits fall, and this tells the businessman that he had better make something else instead.

Who keeps businessmen from charging too much for the things they sell? Answer: No one tells them, but two things tend to stop them. (1) Consumers won't buy at a high price if they can find a substitute product at a lower price. (2) If prices are too high, profits will probably be high; and if profits are high, other businessmen may start producing the same thing, so prices will tend to fall.

Who tells people what kind of work to do? Answer: No one tells them; they have to make their own decisions after finding out what jobs are available, how much training is needed, what the work is like, and how much the wages are.

Why do some people earn lots of money when others are very poor? Answer: Poor people either don't have any jobs, or they work at jobs that pay low wages. Rich people have jobs that pay high wages, or they own profitable businesses or other income-producing property.

How might prices and the possibility of making a profit influence a businessman's decisions about —

(more)

*Bureau of Labor Statistics, Area Wage Survey, The Portland, Oregon-Washington, Metropolitan Area, May 1966, Bulletin No. 1465-73, Government Printing Office, Washington, D.C., July 1966

**Hourly-paid jobs. Hourly rates for these jobs were multiplied by 40 to give a weekly rate of pay.

Activities (continued)

Producing (selling) one product instead of another?
Using one type of raw material instead of another?
Locating at one address instead of another?
Buying one machine instead of another?
Hiring one person instead of another?

EVALUATION

Can the children use a circular-flow diagram to trace the flow of money from producers to consumers and from consumers to producers?

Can the children list some goods or services that people now buy instead of making themselves?

Can the children explain why a modern farmer might worry more about crop prices than a farmer of 50 or 100 years ago? (Farmers used to grow much of their own food, their own fuel, their own horse feed. Now they need money to buy food, heating oil, and gasoline. If prices fall, they have less money and have to make do with less.)

Can they work out what would happen if consumers began to spend more money on eggs and bacon and less on dry breakfast cereal? (The people who make dry breakfast cereal would receive less money and their families wouldn't be able to buy as much. The egg and bacon families would receive more money and could buy more.)

SUPPORTING CONCEPT 2

OUR ECONOMY CONTINUES TO GROW AND CHANGE. WE CONTINUE TO INVENT NEW PRODUCTS AND NEW WAYS OF DOING THINGS. WE CONTINUE TO ADD TO OUR STOCK OF MACHINERY AND FACTORIES. WE CONTINUE TO ADD TO THE SKILLS AND KNOWLEDGE OF OUR PEOPLE. WE CONTINUE TO SPECIALIZE. WE HAVE DEVELOPED STATISTICS THAT HELP US MEASURE THE IMPACT OF THESE CHANGES.

ACTIVITIES

Introduce the idea of "Gross National Product" (GNP). Ask the children "How much money would it take to buy everything our country produced last year?" Put their names and guesses on the board. Then show a large placard with the most recent GNP figure to find the closest guess. (For 1967, $785,100,000,000.)

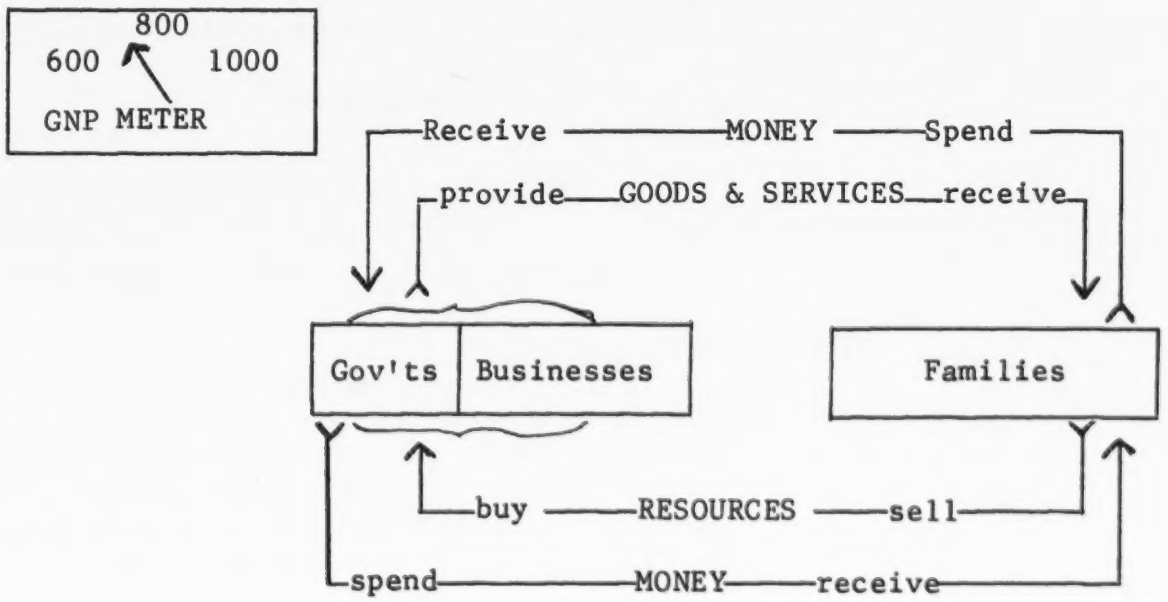
Collect and display newspaper clippings on Gross National Product, price changes, and unemployment. Stories on GNP are likely to appear in January, April, July, and October,

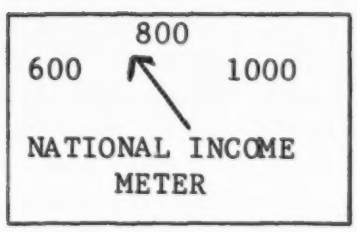
(more)

Activities (continued)

because the statistics are collected every three months.*

Add a "GNP Meter" to the circular flow diagram as shown below. Explain that it measures the flow of spending dollars from families to producers. Add a "National Income" (NI) meter to show the flow of income dollars from producers to families. (Published figures on GNP are larger than those for NI because they include "depreciation" and "indirect business taxes." Our meters give the same reading for both, because we ignore these items. This assumes that everything that producers take in is paid out to someone in the form of wages, rents, interest, profit, etc.)





Discussion questions:

What will happen to the reading on the GNP meter if families decide to buy fewer goods and services than before? (Producers won't produce if people don't buy, so the GNP meter will go down.)

(more)

*You want, and the papers generally report, the "seasonally adjusted annual rate for the current calendar quarter." This is the actual value of what we produced in the last three months multiplied by a small percentage to take care of ordinary seasonal variations and then multiplied by four so that it can be compared with annual figures for previous years.

Activities (continued)

What will happen to the reading on the National Income meter if this happens? (It will go down, too. If producers produce less, workers, managers, stockholders, and others will earn less.)

Make pie charts or posters to show —

WHO BUYS OUR GROSS NATIONAL PRODUCT?*

Individuals and families	$501,400,000,000
Business—new buildings, tools, machinery, and inventory growth.	120,700,000,000
Government agencies—defense, education, etc.	181,500,000,000
Foreigners	4,000,000,000
Total, Fourth Quarter, 1967	$807,600,000,000

Discussion (important):

Why is so much of our GNP used to build new buildings and for new tools and machinery? Wouldn't our people be able to have more cars and boats and television sets if we didn't build these things? (Yes, but if we want our output to grow in future years we have to make new tools and machinery now.)

Why is so much of our GNP used by the government? Wouldn't we be able to have more cars and boats and more tools if we could reduce government purchases of goods and services? (Yes, but many people think that government purchases are necessary, too. About 40 percent of them are for national defense. Another 40 percent are for schools, highways, health, and police.)

Make a poster, "Will Gross National Product Go UP or DOWN?" Use "up" arrows for forces that tend to increase GNP and "down" arrows for forces that tend to reduce it.

(more)

*You will find current data in the Information Please Almanac or a similar source. The formal names, in the order listed, are "Personal Consumption expenditures," "Gross Private Domestic Investment," "Government purchases of goods and services," and "Net exports of goods and services."

Activities (continued)

Up arrows should include: a demand for more goods and services, a better educated labor force, more tools and machinery, more inventions, and innovations.

Down arrows should include: a shrinking demand for goods and services, shortages of resources, lack of skilled labor, lack of tools and machinery, lack of inventions and innovations.

Enlarge the charts in Appendix of this Guide, page 36 They show how our population, our Gross National Product, and our GNP per person have grown since 1870. Stress the idea that our living standards have been improving because our output of goods and services has been growing faster than our population. What do the charts suggest about living standards in the next ten or twenty years?

Study inventions that contributed to our economic growth.

Ask boys to build models showing development of the automobile or the airplane. (This can be done, but less effectively, with pictures.)

Ask girls to draw pictures to show the development of laundry facilities: rocks at the riverside, washboard, hand-operated washers and wringers, electric washers with wringers, automatic washers and driers. Also: stoves, cleaning equipment.

Assign essays: "How life changed when the _____ was invented." Use inventions like those on the following list. Get the children to speculate about how "their" invention contributed to economic growth and how it affected where people worked, what they ate, where they lived.

Typewriter	-1867	Airplane	-1903
Telephone	-1867	Mechanical refrigeration	-
Linotype machine	-1878	Nylon	-
Electric light	-1879	Ice cream cones	-
Automobile	-1887	Bicycles	-
Radio	-1893	Television	-

Look in Popular Mechanics, Mechanics Illustrated, or the back pages of McCalls or the Ladies Home Journal for reports of new products. Guess why the product is being produced, who will buy it, and whether it will be profitable. Would the children want to put their own money into any of these inventions?

Did the parents or grandparents of any of the children come to the United States from another country? Explain that the new farms and factories needed lots of workers and that we encouraged immigrant workers to move here from Europe and the Orient. Make a large map and draw lines or use yarn to show

(more)

Activities (continued)

where the immigrants came from. The main flows —
From Ireland, mainly to northern cities east of the Appalachians in the 1850's and after
From Germany and England in the 1850's and after
From China to the West Coast in the 1850's and 1860's
From Norway and Sweden, mainly to Wisconsin and surrounding states, in the 1870's and after
From Southern and Eastern Europe, mainly to factory cities in the East and middle West, in the 1880's and after
From Japan to the West Coast in the 1900's and after

Point out that in 1924 Congress passed laws to stop immigration from China and Japan and to limit immigration from other places. Would labor unions have favored such laws? Employers? Why?

Do the children know that more and more Americans live and work in cities? Make charts to show the increase in the urban population. (Use the information in the Appendix of this Guide, page 57. What impact would this population shift have on (1) the health of the people, (2) the need for police and fire departments, (3) the need for parks and playgrounds, and so on.

Do the children know that in the old days many 10-, 11-, and 12-year-olds didn't go to school, and that many of them had to go to work?* Have them find out about schools of 50 or 100 years ago and about the kinds of work children did.

Write "What I Did Today" letters. Divide the class into three groups. One group writes letters for Civil War (or Tom Sawyer) children; one for today's children; one for children in the year 2,000. Exchange the letters and discuss.

Assign interviews. Have the children ask parents or grandparents to tell them about technological changes they have seen—the first television sets, the first jet airplanes, the first automatic washers. Ask the children to write up the interviews and tell the class about them.

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*In 1915 only one-third of the enrolled children finished elementary school and less than 10 percent finished high school. Arthur S. Link, American Epoch, Alfred A. Knopf, New York, 1938, p. 38. In 1900, according to census data, 26 percent of boys and 10 percent of girls aged 10-15 years were gainfully employed. John R. Commons: History of Labor in the United States, Vol. III, The Macmillan Company, New York, 1935, p. 40.

EVALUATION

Can the children explain a newspaper headline (or a simple news item) about Gross National Product?

Do they know approximately how much of our GNP represents purchases by families and individuals? Do they know who buys the rest?

Can they distinguish between GNP and GNP per capita? Do they see the relationship between a rising GNP per capita and a rising standard of living?

Can they show some of the social and economic implications of an important technological change (e.g., the automobile or the electric motor)?

Can they point out some of the differences between the ways they live and the ways their grandparents or great grandparents lived when they were children?

Can they use statistics to demonstrate the shift of population from rural or urban areas? Have they had an opportunity to speculate about why this happened and what it means to our people and our government?

Are they aware that immigrant workers came to the United States from many other countries?

Do they know that children spend many more years in school than they used to? Can they relate this to changes in the kinds of work that people do and to the growth of our economy?

SUPPORTING CONCEPT 3

MOST OF OUR GOODS AND SERVICES ARE PRODUCED BY PRIVATE BUSINESSES. MOST OF OUR BUSINESSES ARE QUITE SMALL, BUT A FEW HUNDRED VERY LARGE BUSINESSES PRODUCE ALMOST HALF OUR TOTAL OUTPUT. OUR GOVERNMENTS DON'T PRODUCE VERY MANY GOODS, BUT THEY DO PRODUCE A SIZEABLE OUTPUT OF SERVICES.

ACTIVITIES

Do the children know that we have four kinds of businesses? Have them look for signs like these—

John Jones, Proprietor - a one-man "proprietorship"
Jones and Smith - a two-man "partnership"
Tektronix, Inc. - a corporation with many shareholders
Farmers Co-Operative - a co-operative

Discuss the differences between these types of business. Are some kinds of business generally larger than others?

(more)

Activities (continued)

Ask the children to list some big businesses and some little businesses they know about.

- What goods and services do the small businesses produce?
- What goods and services do the big businesses produce?
- Would the big businesses be good at producing the goods and services that the little businesses make?
- Would the little businesses be good at producing the goods and services that the big businesses make?

Show movies about some basic industries (aluminum, steel, oil, electric power, automobiles, telephones) or ask committees to investigate and report on them. (Notebooks might be good, too.) Have the children try to find out—

- When the industry began
- What important inventions or innovations were associated with it
- The names of the people who helped found it
- Where it is located and why it is located there
- What it makes and what materials it uses
- If big factories and big machines and lots of people are required
- The names of the major companies in the industry
- The name of the major union(s)

Study the lives of important industrialists or labor leaders.

John Jacob Astor	F. W. Woolworth
James J. Hill	Samuel Gompers
John D. Rockefeller	Henry Ford
Sir Thomas Lipton	Andrew Carnegie
	Walter Reuther

Build up a business library for the classroom. Write for annual reports or other publications about some of the big businesses that the class knows about. Use them as a source of information for notebooks or reports.

Do a case study of a local business. Invite someone from the business to talk to the class or take a field trip or both. Find out—

- How it was started
- Who owns the business and/or puts up the money that it needs?
- Is it a proprietorship, a partnership, or a corporation?
- Why is it located where it is?
- What does it produce and who does it sell it to?
- How does it transport its products and its materials?
- What kind of machinery and equipment does it need and how much does it cost?
- What kind of people does it employ? What training do they need?
- What labor union does it have?
- Who owns the business?

(more)

Activities (continued)

What kinds of decisions does he have to make?
What risks does the business have to run?

Do a case study of your school or of a local governmental agency. Invite someone from the agency to talk to the class or take a field trip or both. Find out—

What service(s) the agency produces
How the agency gets its money
What kind of machinery and equipment does it need and how much does it cost?
What kind of people does it employ? What training do they need?
Who runs the agency?
What kinds of decisions do they have to make?

Let members of the class (individuals or groups) form businesses with the idea of producing a marketable good or service. Have them find something for which there is a demand and for which they can find adequate resources (cookies, popcorn balls, creepy crawlers). Have them keep good records. Make sure they pay rent on any borrowed equipment before they figure their profits.

EVALUATION

Can the children name some very large businesses and some very small ones?

Can they explain why businesses need money (for buildings, tools, machinery, etc.) and why people might be willing to put their money into a business?

Can they explain some of the differences between a proprietorship, a partnership and a corporation.

Do they understand some of the decisions that a business has to make about products, location, purchase of tools and machinery, use of materials and labor, and so on?

Can they describe the history and operations of one of our basic industries — steel, automobiles, telephones?

Can they, in their own words, explain why some products (automobiles, steel, aluminum, telephone service, electricity) would be very expensive if they were produced by very small businesses?

SUPPORTING CONCEPT 4

CHANGES IN THE KINDS OF THINGS THAT OUR ECONOMY PRODUCES often mean changes in the kind of work that people are hired to do. It looks as though fewer people are going to be employed in farming and in manufacturing and more of them in service industries, and it looks as though employment opportunities are going to be best for those who have a high level of education.

ACTIVITIES

Make a list of jobs that people used to do 100 years ago.

cowboy	lawyer
pony express rider	farmer
blacksmith	wheelwright
doctor	sailmaker

Then have the children make another list showing the jobs that their friends or parents do or that they know about.

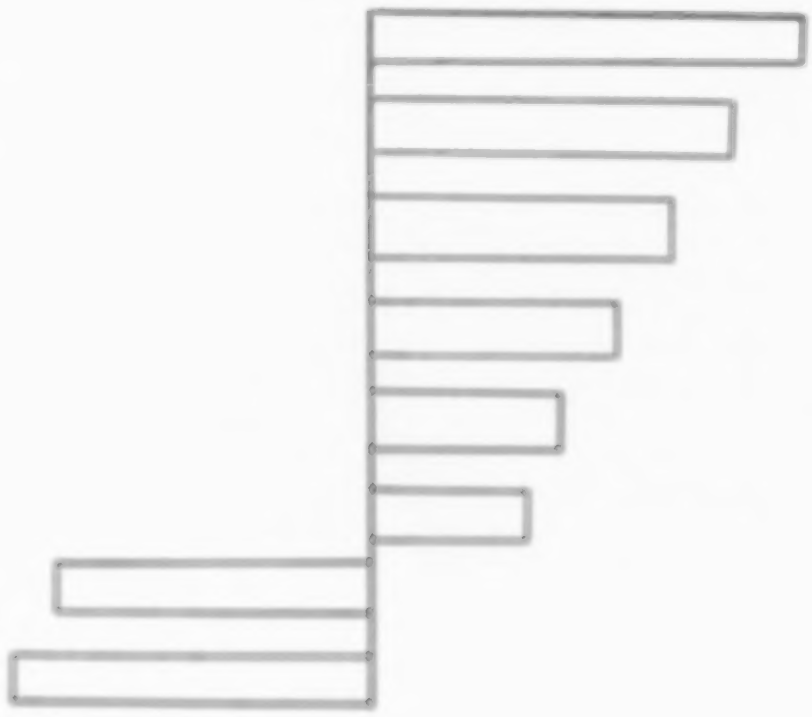
Do people still work at jobs that existed 100 years ago?
Have any of the old jobs disappeared?
What happened to the people who know how to do them?
Have any new jobs been created? Why?
How do people learn how to do them?

Display pie charts showing how employment in major occupations has changed since 1900. See Appendix in this Guide, page 58.

Have the children ask friends or parents "What is a good job?" Make a chart or poster about some of the things they say.

Have a committee make a chart to show how employment will change in Pacific Northwest industries between now and 1980. (Use the information in Appendix of this Guide, page 59.) The chart might look something like this—

% Decrease % Increase

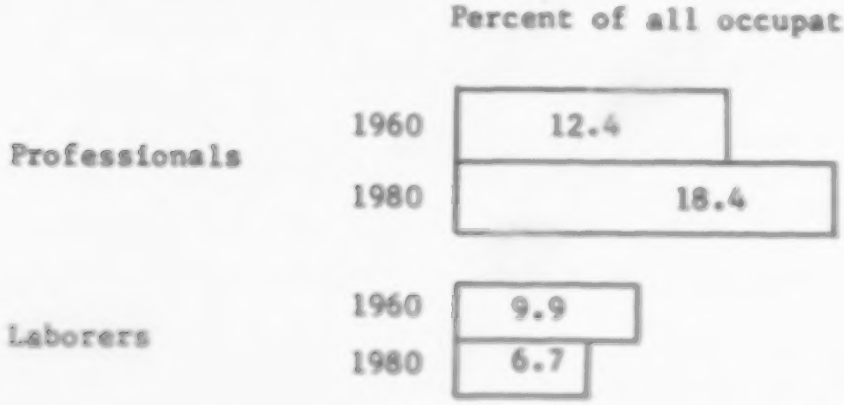


(more)

Activities (continued)

Have all of the children write short essays on which industries might offer the greatest employment opportunities for them when they grow up.

Have a committee make a chart to show how employment is changing in various occupations. (Use the information in Appendix of this Guide, page 60. The chart might look something like this—



Which occupations are growing faster (slower) than others? Which will require the most education?

Have the children think about what they want to be when they grow up. Help them look up their occupation in the Occupational Outlook Handbook* and have them write an essay on why they chose their occupation and what the prospects are.

Will the children be able to find jobs in their localities when they grow up or will employment opportunities be better somewhere else? Look up the growth predictions for your county in the Appendix of this Guide, page 61 , and discuss.

EVALUATION

Do the little girls know that almost all women spend part of their lifetime working at jobs away from home?**

Have the children talked to friends or parents about what makes a "good job?"

Can they name industries or occupations where job opportunities seem to be expanding? Declining?

(more)

*Bureau of Labor Statistics, Occupational Outlook Handbook, Government Printing Office, Washington, D.C., Biennual, $3.00

**In 1968 about 38 percent of the married and 71 percent of the unmarried women, 23 years old and over, were in the labor force. U. S. Bureau of Labor Statistics, Monthly Labor Review, January 1968, p. 38

Evaluation (continued)

Have they had a chance to explore training requirements and employment prospects in a job they would like to have when they grow up?

RESOURCES

BOOKS

Supporting Concept 1 (market economy)

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, New York, 1966, pp. 10-15, 310-313 (state-adopted text)

Supporting Concept 2 (growth, Gross National Product)

Carls, Norman and Others: Knowing Our Neighbors in the United States and Canada, Holt, Rinehart and Winston, New York, 1966, pp. 242-243, 318, 320, 324-325, 422-426 (state-adopted text)

Cutright, Prudence and Others: Living in the Americas, The Macmillan Company, New York, 1966, pp. 408-409, 421-422, 424 (state-adopted text)

FILMS AND FILMSTRIPS

"Distribution of Income," World of Economics Series, McGraw-Hill Book Co.,1963 FS, 34 frames, c, 11-12. Teacher's manual.

"Gross National Product," Economics for Our Times Series, McGraw-Hill Book Co, 1962, FS, 40 frames, c, 10-12.

Appendix

MAJOR IDEAS AND SUB-IDEAS OF MODERN ECONOMICS

The following ideas and sub-ideas define the boundaries of the economic discipline and are guides to the things teachers should cover or emphasize.

The ideas are abridged and paraphrased from James D. Calderwood, Teachers Guide to Developmental Economic Education Program, Part One, Economic Ideas and Concepts (New York: Joint Council on Economic Education, 1964).

SEVEN BASIC ECONOMIC AREAS

I. WHAT ECONOMICS IS ALL ABOUT

II. PERSISTENT ECONOMIC PROBLEMS FACED BY ALL SOCIETIES

III. THE MARKET ECONOMY OF THE UNITED STATES AND HOW IT OPERATES

IV. ECONOMIC GROWTH AND STABILITY

V. DISTRIBUTION OF INCOME

VI. THE UNITED STATES AND THE WORLD ECONOMY

VII. OTHER ECONOMIC SYSTEMS

I. WHAT ECONOMICS IS ALL ABOUT

A. Economics....

1) Is primarily concerned with the allocation of scarce resources, with the ways in which a society decides

WHAT to produce
HOW to produce it
FOR WHOM to produce it.

2) Deals with a whole economy — how it works, grows, and adjusts to change.

3) Is also concerned with important parts of the society: consumers, businesses, labor unions, farms. However, a study of these parts is only part of the study of economics.

4) Does not decide personal or social goals. The study of economics helps us to identify goals — growth, stability, efficiency, justice, freedom, and so on — and to make intelligent choices between alternatives.

B. The study of economics is important because

1) Individuals have many economic problems of their own.

2) Citizens influence decisions on economic problems that affect the community, the nation, and the world.

3) People who can deal with economic problems in an organized and systematic way are better able to deal with other kinds of problems

C. The real test of economic understanding is whether or not one has the ability to deal with future economic problems in an organized and systematic way.

1) This does not mean having memorized facts.

2) It does mean the ability to

a) Define the problem and find the facts

b) Identify the goals that we are trying to achieve, in order of priority

c) Decide what action is best, all things considered.

II. PERSISTENT ECONOMIC PROBLEMS FACED BY ALL SOCIETIES

A. All societies want economic goods and services.

1) Some of these wants are individual, some are collective; but a society's economic wants are never satisfied.

2) There are wants for consumption goods, that satisfy our needs directly, and wants for capital goods, that help us produce the things we want.

B. The process of making economic goods (and services) is called production. Those who engage in this process are called producers.

1) We cannot produce goods and provide services unless we have resources — the main ones are land, labor, and capital.

2) The amount of output that we get from our resources depends on the level of technology, the degree of specialization, the productivity of labor, and the amount of capital available.

C. Resources are scarce. We must decide how we want to use them because if we use our resources in one way we cannot use them in another.

D. An economic system is an organized way of making decisions about how to use scarce resources. (Economists speak of "the allocation of resources.") To do this society must decide what to produce, how to produce it, how much to produce, and for whom to produce it. Various economic systems make these decisions in different ways.

III. THE MARKET ECONOMY OF THE UNITED STATES AND HOW IT OPERATES

A. Ours is a modified private enterprise economy. Our citizens are free to buy what they can afford. They are free to go into business, hire labor and acquire resources, and produce what they think consumers will buy.

1) Producers make a profit if they are right about consumers' demands and suffer a loss if they are wrong. The profit motive thus encourages producers to produce and to shift from one line of production to another when consumers' wants change.

2) Our decisions on what goods to produce and how to produce them are thus influenced by consumer decisions as to how to spend their incomes.

B. There is a circular flow of income from businesses to those who provide resources; from the public to the government; and from those who save to those who invest. A simple model of this flow helps to explain the workings of the whole economy.

C. The market is a basic institution of the American economy.

1) The market adds up the economic decisions of individual buyers and sellers.

2) The ideas of demand and supply are useful in explaining how markets work and how price changes affect the incomes of producers and the amounts that consumers have left over to spend on other things.

3) Market prices are the main regulators of economic activity in the United States.

4) Competition is an essential part of the market mechanism. But, because monopoly or semi-monopoly exists in certain markets, we have passed anti-trust laws and decided to regulate the prices charged by certain industries.

5) Our governments regulate the economic activities of businessmen and consumers. They also affect the allocation of resources when they levy taxes, spend money on goods and services, or make money available to individuals.

IV. [illegible]

A. Economic growth may refer to either increases in total output or to increases in output per person.

1) We need growth so that we can raise our living standards and so we can provide enough jobs for our growing labor force.

2) We can grow if we increase our productive capacity by (a) increasing the number of workers, (b) making them better workers, (c) providing them with more capital (tools and machines), or (d) improving our technology and our managerial efficiency.

3) In a private enterprise, economy growth will take place only if effective demand increases — only if the economy is willing and able to buy an increasing output of goods and services.

B. Economic stability means keeping the economy on an even keel between inflation and depression. We want to keep the economy growing and we want to keep it stable.

C. The main tools for measuring the performance of the economy are called Gross National Product and National Income.

D. The level of output is mainly influenced by the level of effective demand — consumption demand plus government demand plus business demand plus foreign demand.

1) When business or government demand moves up or down, the economy tends to expand or contract. This in turn causes changes in consumer demand, which adds to the original expansion or contraction.

2) The government uses fiscal policy — changes the level of government spending and taxation — to influence the level of effective demand. This may have an impact on the national debt.

3) The monetary system also influences the level of effective demand. To know how this works one must understand (a) what money is and what its function is, (b) where money comes from, and (c) how and why the government tries to control the money supply.

F. DISTRIBUTION OF INCOME

A. A person's income determines how much he can buy. The distribution of income within the economy helps determine what goods the economy produces and for whom it produces them.

1) Most people receive income by selling productive services on a factor market.

2) Some people receive transfer payments not related to productive services.

B. Our markets may not distribute incomes in a just or proper way.

1) The government uses taxes and transfer payments to change the distribution of income. It also uses taxes to provide certain services that mostly benefit people with lower incomes.

2) Private groups, like unions, also alter the distribution of income.

3) Incomes are more equally distributed than before, but some people have very low or no incomes.

4) Profits are incomes to businessmen. But profits also reward business for taking a chance on a new product or with a new business. This is their main economic function.

C. Economic groups are concerned with the incomes of their members, but in the final analysis, what people earn depends on what they produce. Economic groups may advocate policies which tend to increase incomes of their own members even though they waste economic resources.

1) Labor unions attempt to influence labor incomes through collective bargaining and through the political process.

2) Many small farmers would not earn satisfactory incomes if farm prices were left to supply and demand. Farm prices tend to fall because farm output grows faster than the demand for farm products. Because of this, farmers advocate government price supports and other devices to keep farm incomes and prices at a higher level than they would otherwise be. Such devices also influence the allocation of resources.

3) Our people are concerned with security in their incomes. Actions by the economic security area may affect economic justice, economic stability, the efficiency with which the economy allocates resources, and the willingness of individuals to take risks necessary for economic growth.

II. THE UNITED STATES AND WORLD ECONOMY

A. The American economy is tied to world economy.

1) In many fields, American jobs, incomes, and profits depend on sales to foreign countries.

2) Some of our industries require resources that we don't have or cannot produce in adequate quantities.

3) American businessmen often invest in businesses overseas. This helps other countries to produce things we need and helps them to increase their rates of economic growth.

B. World trade takes place for the same reason that trade takes place within the United States.

Should it be said to understand it what we have to work out to get from studying what they have produced what should have its use.

What is usually stated, but not quite accurate. Imagine a world where all that is which each place can grow better than he can do anything else. Use of the area will grow, but he will be the only one to do the job at which he is best. The teacher will work even though he is a better plumber than a teacher. A better statement: "It pays to specialize in things at which you have a comparative advantage...."

C. World Trade is more complicated than domestic trade.

1) Different countries use different kinds of money. This requires various devices for exchanging one kind of money for another. These involve foreign exchange rates.

2) Balance of payments problems arise when a country tries to spend more foreign money than it has in order to buy foreign goods.

3) Countries impose tariffs and other barriers to trade in order to protect new industries, to insure self sufficiency in time of war, or to protect the incomes of those in certain industries.

VII. OTHER ECONOMIC SYSTEMS

A. All societies face the same central economic problem — deciding how to use scarce resources (what to produce, how much to produce, and for whom to produce).

B. Throughout history different societies have approached this problem in different ways.

1) Some economies rely primarily on the market mechanism, with a restricted role for government.

2) Others rely heavily on centralized decision making.

a) This may be comprehensive and autocratic, as in the Soviet Union, or

b) Limited and democratic, as in Britain and India.

3) Most countries today are "mixed economies" in that some decisions are made in the market and others are made by central authority, either democratically or autocratically. The important thing is the nature of the "mix."

4) It is particularly important to avoid classifying economic systems into three rigid and unchanging classifications called capitalism, communism, and socialism. For example, there are significant differences between the economies of the United States and France, or Switzerland and New Zealand.

5) All economic systems change over the years.

C. The study of economic systems should emphasize different approaches to the central economic problem and changes in these approaches over the years. It should also emphasize the performance of different economic systems in the light of such criteria as growth, stability, efficiency, security, justice, and freedom.

AREA AND POPULATION OF THE UNITED STATES*—1790-1960

Year	Area	Population	Population per Square Mile
	(Excluding Alaska and Hawaii)		
1790.	888,811	3,929,214	4.5
1800.	888,811	5,308,483	6.1
1810.	1,716,003	7,239,881	4.3
1820.	1,788,006	9,638,453	5.5
1830.	1,788,006	12,866,020	7.4
1840.	1,788,006	17,069,453	9.8
1850.	2,992,747	23,191,876	7.9
1860.	3,022,387	31,443,321	10.6
1870.	3,022,387	39,818,449	13.4
1880.	3,022,387	50,155,783	16.9
1890.	3,022,387	62,947,714	21.2
1900.	3,022,387	75,994,575	25.6
1910.	3,022,387	91,972,266	31.0
1920.	3,022,387	105,710,620	35.6
1930.	3,022,387	122,775,046	41.2
1940.	3,022,387	131,669,275	44.2
1950.	3,022,387	150,697,361	50.7
1960.	3,022,387	178,464,236	60.1
	(Including Alaska and Hawaii)		
1950.	3,615,211	151,325,798	42.6
1960.	3,615,211	179,323,175	50.5

*Statistical Abstract of the United States, Government Printing Office, Washington, D.C., 1967, p. 5.

THINGS WE SELL AND BUY

SOME OF THE THINGS WE SELL TO PEOPLE IN OTHER PLACES	SOME OF THE THINGS WE BUY FROM PEOPLE IN OTHER PLACES
apples	bananas
canned and frozen fruits, vegetables, and fish	lettuce
crab	breakfast food
wheat	clothing
lumber, plywood, and composition board	shoes
paper and paper products	books and magazines
swim suits, woolen shirts, and other clothing	typewriters
aluminum, titanium, zirconium, and mercury	movies
railway cars	baseball gloves and other sports equipment
ships and barges	television sets, washing machines, and other appliances
lift trucks, heavy transportation equipment, and other machinery	iron and steel
	trucks and automobiles
	oil and gasoline

PRINCIPLE OF COMPARATIVE ADVANTAGE

THE PRINCIPLE OF COMPARATIVE ADVANTAGE HELPS TO EXPLAIN WHY COUNTRIES AND REGIONS SPECIALIZE AND TRADE WITH EACH OTHER.

Regions A and B both want to consume 1 unit of cloth and 1 unit of wine. If each region produces its own requirements and no trade takes place, 390 units of labor will be needed.

Region A		Region B	
1# cloth requires	90# labor	1# cloth requires	100# labor
1# wine requires	80# labor	1# wine requires	120# labor
	170# labor		220# labor

total = 390# labor

Region A can produce both cloth and wine with fewer units of labor than B requires and is said to have an "absolute" advantage in both products.

However, Region A has a "comparative advantage" in wine (can produce it more easily than cloth), and Region B has a "comparative advantage" in cloth (can produce it more easily than wine). Therefore, if A concentrates on wine and B concentrates on cloth, they will be able to produce the same total amounts with only 360 units of labor.

Region A	Region B
2# wine requires 160# labor	2# cloth requires 200# labor

total = 360# labor

The regions now have to exchange cloth and wine, because each of them wants to consume both products. But after the exchange, both of them will be better off than they were at first.

Region A	Region B
1# wine	1# cloth
1# cloth (from B)	1# wine (from A)
170# labor used originally	220# labor used originally
160# labor used now	200# labor used now
10# labor saved	20# labor saved

They could, of course, use the labor that they saved to produce more cloth, more wine, or something else.

SOME ECONOMIC COMPARISONS BETWEEN UNITED STATES REGIONS—1964-66

Note: (1) Don't worry if these figures differ slightly from those you find elsewhere. This sometimes happens due to differences in dates, sources, etc. (2) Total employment is roughly proportional to total population. (3) You can get information on total employment in an industry by applying the percentage figure for an industry to the total employment figure. Employment in finance in Oregon is 4% of 699,600 or about 28,000.

	OREGON	NEW ENGLAND[4]	MIDDLE ATLANTIC[5]	EAST-NORTH CENTRAL[6]	WEST-NORTH CENTRAL[7]
[1]Personal Income Per Capita, 1966.	$2,938	$3,223	$3,301	$3,198	$2,820
[2]Average Years of School Completed by Adults (25 years and older) 1960	11.8	11.2	10.5	10.7	10.7
[3]Growth in Population, 1950-1960	+16.3%	+12.8%	+13.3%	+19.2%	+ 9.5%
Total Employment	699,600	4,117,800	13,001,500	13,861,500	5,799,400
Employment in Major Industries					
Mining.	0.29%	---	0.5%	0.5%	0.8%
Contract Construction . . .	4.70%	4.5%	4.1%	4.0%	4.3%
Manufacturing	22.40%	35.5%	32.0%	35.2%	18.5%
Transportation and Public Utilities	6.60%	4.9%	6.9%	5.6%	6.1%
Trade	19.60%	18.9%	19.2%	18.6%	18.9%
Finance	4.00%	5.0%	5.9%	3.9%	4.0%
Service	12.30%	15.6%	15.5%	11.9%	12.0%
Government.	16.90%	13.1%	13.5%	12.8%	14.8%
Agriculture	13.30%	2.8%	2.5%	7.5%	20.7%
	100.09%	100.3%	100.1%	100.0%	100.1%

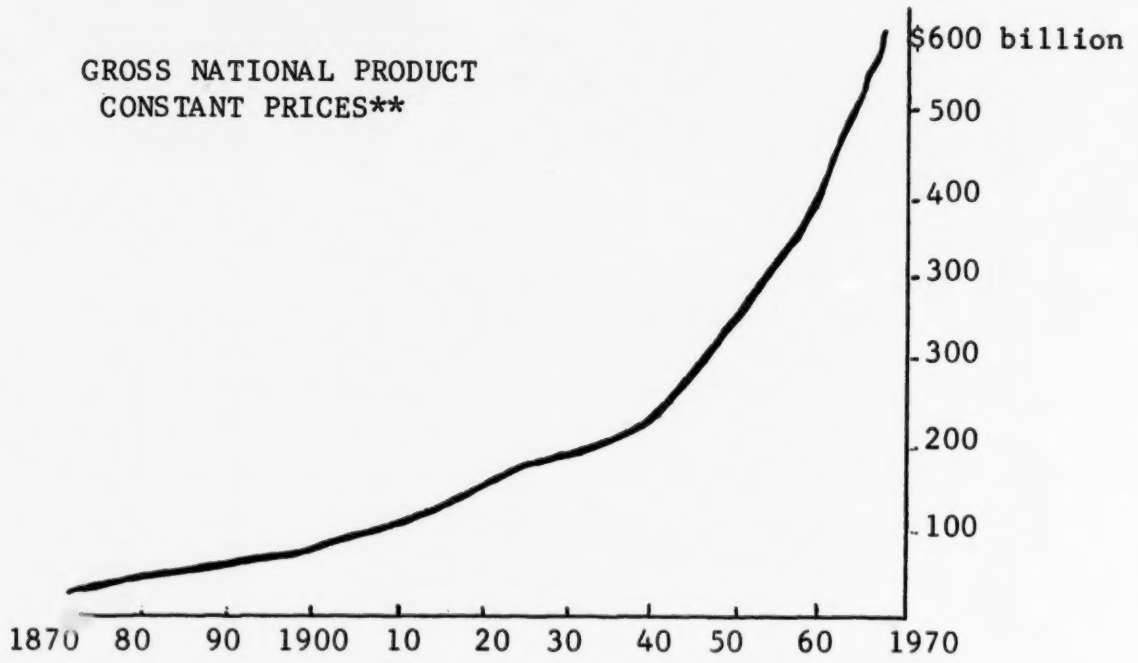
[1]
[2]Statistical Abstract of the United States, Government Printing Office, Washington, D. C., 1967, p. 327.
[3]Ibid. p. 115.
[4]Ibid. p. 15.
[5]NEW ENGLAND; Maine, New Hampshire, Vermont, Mass., R. I., Conn.
[6]MIDDLE ATLANTIC: N. Y., N. J., Penn.
[7]EAST-NORTH-CENTRAL: Ohio, Ind., Ill., Mich., Wisc.
WEST-NORTH-CENTRAL: Minn., Iowa, Missouri, N. D., S. D., Neb., Kansas.

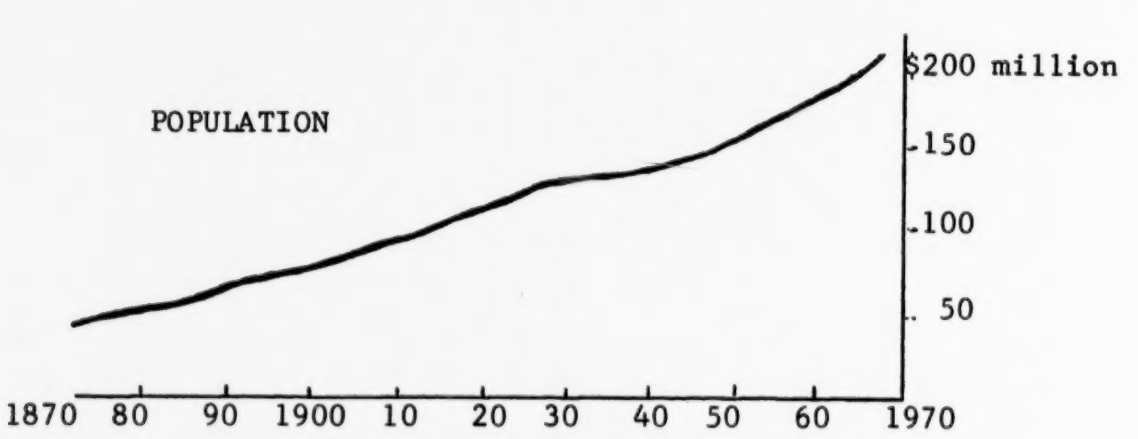
Some Economic Comparisons (continued)

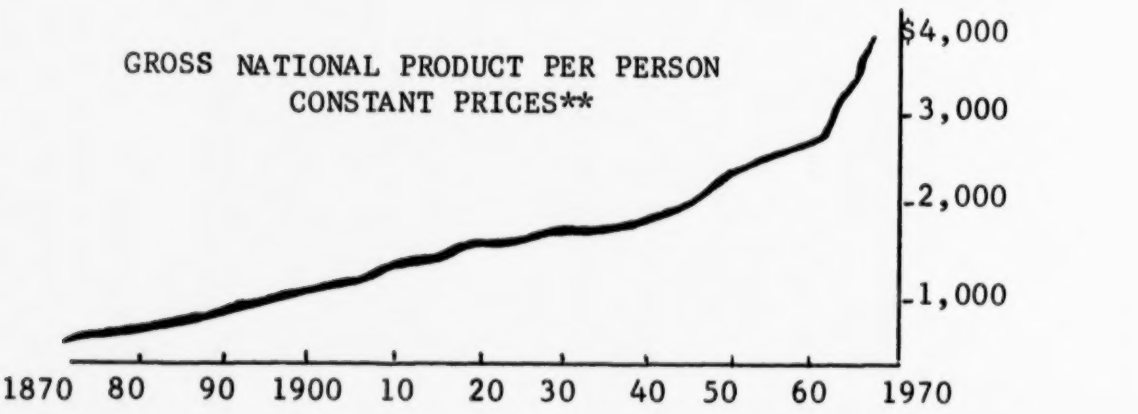
	SOUTH ATLANTIC[8]	EAST-SOUTH CENTRAL[9]	WEST-SOUTH CENTRAL[10]	MOUNTAIN[11]	PACIFIC[12]	U.S.
[1]Personal Income Per Capita, 1966. .	$2,542	$2,076	$2,404	$2,636	$3,378	$2,940
[2]Average Years of School Completed by Adults (25 years and older). . .	9.8	8.8	9.9	12.0	12.0	10.6
[3]Growth in Population, 1950-1960 . .	+22.6%	+5.0%	+16.6%	+35.1%	+40.2%	+18.5%
Total Employment.	9,574,800	4,012,300	5,697,700	2,449,900	8,070,400	
Employment in Major Industries						
Mining.	0.9%	1.2%	3.6%	3.2%	0.5%	
Contract Construction	6.0%	4.7%	5.8%	5.5%	5.2%	
Manufacturing	24.4%	25.4%	16.9%	11.8%	22.6%	
Transportation and Utilities.	5.6%	4.7%	6.8%	6.7%	6.4%	
Trade	18.4%	15.8%	20.4%	20.1%	20.7%	
Finance	4.1%	3.2%	4.3%	4.1%	5.0%	
Service	12.3%	10.4%	12.2%	15.2%	14.7%	
Government.	17.3%	15.0%	16.3%	21.4%	18.6%	
Agriculture	11.0%	19.5%	13.7%	12.0%	6.3%	
	100.0%	99.9%	100.0%	100.0%	100.0%	

[1]Statistical Abstract of the United States, Government Printing Office, Washington, D.C., 1967, p. 327.
[2]Ibid. p. 115.
[3]Ibid. p. 15.
[8]SOUTH ATLANTIC: Del., Md., D. of C., Virginia, W. V., N.C., S.C., Georgia, Florida.
[9]EAST-SOUTH-CENTRAL: Ky., Tenn., Ala., Miss.
[10]WEST-SOUTH-CENTRAL: Ark., La., Okla., Texas.
[11]MOUNTAIN: Mont., Idaho, Wyo, Colorado, N.M., Ariz., Utah, Nev.
[12]PACIFIC: Wash., Ore., Cal., Alaska, Hawaii.

GROSS NATIONAL PRODUCT CHARTS*







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*U.S. Bureau of Census, Historical Statistics of the United States, Government Printing Office, Washington, D.C., 1966, p. 139 and Long Term Economic Growth, Government Printing Office, Washington, D.C., 1966, pp. 166, 168.

**These charts use a 1929=100 index from 1870 to 1930, and a 1958=100 index, 1930 to 1970.

URBAN AND RURAL POPULATION*—1830-1960

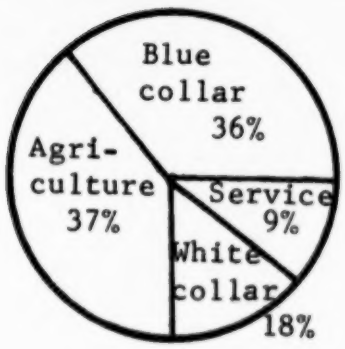
Year	Urban (1,000)	Rural (1,000)
1830.	1,127	11,739
1840.	1,845	15,224
1850.	3,544	19,648
1860.	6,217	25,227
1870.	9,902	28,656
1880.	14,130	36,026
1890.	22,106	40,841
1900.	30,160	45,835
1910.	41,999	49,973
1920.	54,158	51,553
1930.	68,955	53,820
1940.	74,424	57,246
1950**.	89,749	60,948
1960.	113,056	66,267

*Historical Statistics of the United States, 1789-1945, U.S. Dept. of Commerce, Bureau of the Census, Government Printing Office, Washington, D.C., 1966, p. 29.

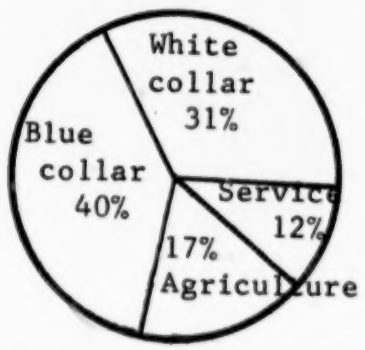
**From 1950 on, Statistical Abstract of the United States, 1966, U.S. Dept. of Commerce, Bureau of the Census, Government Printing Office, 1966, p. 15.

HOW OCCUPATIONS HAVE CHANGED SINCE 1900

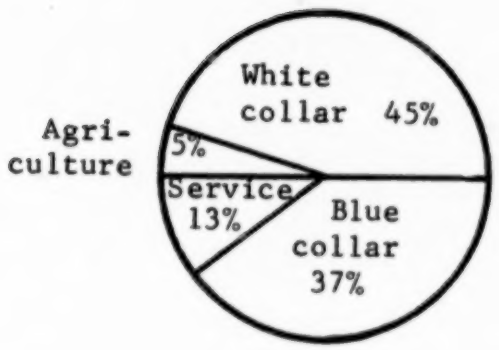
1900[1]



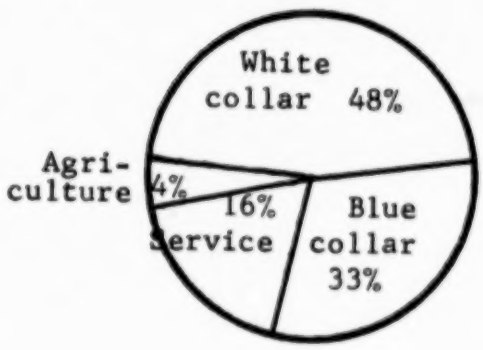
1940[1]



1966[2]



1975[3]



White collar workers: accountants, pilots, doctors, photographers, managers, officials, bankers, stenographers, real estate salesmen, sales clerks

Manual workers: bakers, cabinet makers, locomotive engineers, sailors, painters, industrial production workers, laborers

Service workers: laundresses, housekeepers, bartenders, policemen, waiters and waitresses

Farm workers: owners, managers, tenants

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[1] Historical Statistics of the United States, Colonial Times to 1957, Department of Commerce, U.S. Bureau of the Census, Government Printing Office, Washington, D.C., 1960, p. 74.

[2] Statistical Abstract of the United States, 1967, U.S. Dept. of Commerce, Bureau of the Census, Government Printing Office, Washington, D.C., 1967, p. 230.

[3] Technology and the American Economy, Government Printing Office, Washington, D.C., 1966, p. 240.

HOW EMPLOYMENT WILL CHANGE IN PACIFIC NORTHWEST INDUSTRIES*—1960-1980

Professional and Related Services. . . .	142.9% (increase)
Finance, insurance, and real estate. . .	95.1%
Business and repair services	94.6%
Public Administration.	66.7%
Personal services.	61.6%
Retail trade	54.0%
Total Employment	51.3%
Entertainment and recreation services. .	50.5%
Manufacturing	49.6%
Wholesale trade.	44.4%
Construction	29.3%
Transportation, communications, and public utilities	18.0%
Agriculture, forestry, and fishing . . .	-33.4% (decrease)
Mining	-47.5% (decrease)

*The Pacific Northwest, A Study of Economic Growth in a Quality Environment, Battelle Memorial Institute, Columbus, Ohio, 1967, p. 73.

HOW PACIFIC NORTHWEST OCCUPATIONS WILL CHANGE*—1960-1980

	1960	1980
All occupations.	100%	100%
Professional, technical, and kindred workers.	12.4%	18.4%
Managers (including farm).	15.4%	13.3%
Clerical and kindred workers . . .	13.8%	17.8%
Sales workers	7.5%	6.9%
Craftsmen and foremen.	14.3%	11.7%
Operatives and kindred workers . .	14.9%	11.1%
Personal services (including private household)	11.8%	14.1%
Laborers (including farm).	9.9%	6.7%

*The Pacific Northwest, a Study of Economic Growth in a Quality Environment, Battelle Memorial Institute, Columbus, Ohio, 1967, p. 73.

EXPECTED GROWTH OF OREGON COUNTIES—1960, 1975, 1985

	1960[1]	1975[2]	1985[2]
Baker	17,295	19,715	21,477
Benton	39,165	56,467	66,887
Clackamas	113,038	154,099	175,093
Clatsop	27,380	24,801	25,651
Columbia	22,379	24,046	25,970
Coos	54,955	66,200	75,401
Crook	9,430	9,848	10,284
Curry	13,983	28,268	31,258
Deschutes	23,100	25,508	27,321
Douglas	68,458	79,010	88,222
Gilliam	3,069	2,764	2,724
Grant	7,726	6,527	6,381
Harney	6,744	7,396	7,951
Hood River	13,395	13,796	14,653
Jackson	73,962	88,064	98,609
Jefferson	7,130	9,906	11,503
Josephine	29,917	29,578	31,095
Klamath	47,475	55,708	60,672
Lake	7,158	8,187	8,921
Lane	162,890	227,992	270,290
Lincoln	24,635	34,206	40,334
Linn	58,867	65,022	70,964
Malheur	22,764	21,318	21,580
Marion	120,888	162,057	189,156
Morrow	4,871	4,624	4,607
Multnomah	522,813	630,558	708,612
Polk	26,523	28,304	30,315
Sherman	2,446	2,681	2,802
Tillamook	18,955	20,414	22,048
Umatilla	44,352	44,766	45,445
Union	18,180	20,159	21,560
Wallowa	7,102	6,797	6,959
Wasco	20,205	28,173	32,002
Washington	92,237	153,255	186,544
Wheeler	2,722	2,027	1,900
Yamhill	32,478	30,836	31,687

[1] County and City Data Book, 1967, Department of Commerce, United States Bureau of Census, Government Printing Office, Washington, D. C., 1967, p. 302.

[2] Population of Counties and State Economic Areas of Oregon, April 1, 1960, Center for Population Research and Census, Portland State College, Portland, 1960; and Forecast, April 1, 1965 to 1985, Center for Population Research and Census, Portland State College, Portland, 1960.

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Associate Professor of Economics, Portland State College

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O'Neill, James B.
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Stark, Julie A.
Stout, Jessie C.
Vecchio, Carol
Waits, Susan M.
Ward, Lu Elle
Wheeler, John F.
Ziegler, Carl

Glossary

CAPITAL - Has several meanings; economists generally prefer the one relating to "capital goods," e.g., tools, machinery, buildings, and the like. "Capital" may also refer to the amount of money an individual or a business has available.

COMPARATIVE ADVANTAGE - An idea that explains why it might be worthwhile for two people or two regions to specialize and trade. See Appendix, page 53.

CONSUMER - One who buys and uses a good or a service. Generally refers to people rather than businesses or governments.

CO-OPERATIVE - A type of corporation in which each member has one vote regardless of the number of shares he holds.

CORPORATION - A business owned by "shareholders" or "stockholders." Some corporations have many stockholders and some only a few. Each "share" carries one vote in elections held to determine the managers of the corporation. Stockholders cannot lose more money than they paid for their stock, and they can easily - although not always profitably - sell their shares on the stock exchange.

CURRENCY - Money, particularly coins and paper money.

DEPRESSION - The bottom of a business cycle, usually associated with unemployment and low levels of production.

DIVISION OF LABOR - The practice of assigning one part of a task to one person, another part to another person, and so on. May lead to greater efficiency.

ECONOMIC GROWTH - The tendency of an economic system to increase its output of goods and services (GNP). Economic growth may refer to an increased per capita GNP, where output increases faster than population, or to a simple increase in total GNP, even though a faster rate of population growth is tending to reduce standards of living.

ECONOMICS - The study of the ways in which a society decides WHAT to produce with its scarce resources, HOW to produce it, and FOR WHOM to produce it.

ECONOMIC STABILITY - A condition in which an economy does not experience periods of depression or inflation.

ENTREPRENEUR - Or "enterpriser," one who assumes the risks involved in establishing or operating a business.

EXPORTS - Goods sold to citizens of another country; also, services rendered to citizens of other countries such as shipping and providing hotel and restaurant accommodations for foreign tourists.

FACTORS OF PRODUCTION - The "ingredients" used by an enterprise in producing a good or a service. They are generally referred to as land (natural resources of all kinds), labor, and capital (tools, equipment, buildings). Entrepreneurship is sometimes included with labor and sometimes listed separately.

GOODS - Material things that directly or indirectly satisfy human wants (toys, machinery, food, clothing). "Services" satisfy wants, too, but don't involve material objects (haircuts, transportation, a concert).

GROSS NATIONAL PRODUCT - The market value of the "final" goods and services produced by an economy in a

given period of time. "Final" goods and services are those which are sold to their ultimate consumer — without this distinction, we might count the value of wheat sold to the miller, plus flour sold to the baker, plus bread sold to the family. The word "gross" is used because we do not deduct for goods or services that wore out or were destroyed during the period.

GROSS NATIONAL PRODUCT PER CAPITA - GNP divided by population to give GNP per person. This rough and easily understandable measure of the standard of living is not completely accurate. (1) During the war, for example, GNP per capita might increase because of increased production of military goods, but standards of living might go down because there were fewer goods and services for civilians. (2) An increase in per capita GNP does not imply that everyone has an increased standard of living.

IMPORTS - Goods that our citizens buy from other countries; also, services rendered to our citizens by foreigners such as shipping, tourist services, and so on.

INDUSTRY - Usually refers to a group of businesses that produces a particular good or service, as the sugar industry or the automobile industry.

INFLATION - A period of rising prices and wages.

INVESTMENT - Has several meanings. Economists generally prefer the one that relates to an increase in the stock of capital goods (tools, machinery, buildings) available to an industry or an economy. However, it may also relate to an individual or business decision to "invest" money in a particular enterprise.

LABOR - Work, or those people who work or are able to work.

LAND - That factor of production that consists of natural resources (climate, soil, minerals, plants).

LOAN - A sum of money, or sometimes property, lent to a borrower.

MARKET ECONOMY - One in which nearly every resource and nearly every product is bought and sold and has a price, and in which prices have a great deal to do with what is produced, how it is produced, and for whom it is produced. Opposed to a "Traditional Economy," in which magic, superstition, or custom decide these questions, and to a "Command Economy," in which the governing authority decides what is to be done.

NET NATIONAL PRODUCT - Like "Gross National Product," except that goods and services that wore out in the process of production or were destroyed are not included. We generally use Gross National Product, because it is hard to get accurate figures for the value of goods and services worn out or destroyed.

NATURAL RESOURCES - See "land."

NATIONAL INCOME - The value of wages, rents, profits, dividends, and other payments to factors of production in a particular time period. Like Net National Product, but does not include certain taxes, like those on cigarettes, which affect the price of goods and services.

PARTNERSHIP - A business formed by two or more "partners." Partners generally agree in advance on how much money each will put into the business, what other duties each will have, and how the profits will be split. Each partner has full responsibility for any debts that may be incurred by the firm.

PROFIT - What is left to the owners of the business after all the factors of production have been paid.

PRODUCER - An individual or an enterprise that manufactures goods or furnishes services.

PROPRIETORSHIP - A business formed by one "proprietor." He is the business, takes all the profits, and must pay all of the debts.

RESOURCES - May refer to factors of production or to a region's total supply of natural resources, labor, capital, and so on.

SCARCE RESOURCES, SCARCITY - Economists are usually concerned only with resources that are scarce or in short supply. If the economic system uses such resources for one thing, it cannot use them for another, and so choices have to be made. Some resources, air, for example, are so plentiful that it isn't necessary to choose between one use and another. Economists refer to these as "free goods," and don't worry about them.

SERVICES - Non-material things that satisfy human wants (haircuts, transportation, concerts). See "goods."

SPECIALIZATION - Concentration of effort or resources on a particular product or task. It may involve (a) geographic specialization, which takes advantage of the special resources of a particular region, (b) technological specialization, which involves the use of tools or machines that are designed for special purposes, or (c) occupational specialization, which involves people who make use of special skills or training, or perform special tasks.

STANDARD OF LIVING - Refers to the degree of privation or luxury in which a group of people are able to live. See "Gross National Product Per Capita."

TARIFF - A tax on imported (or sometimes exported) goods. Tariffs may be designed to raise revenue or they may be set high enough to prevent foreign goods from competing with domestic ones. "Quotas," which limit the physical quantity of imports, have a similar effect on foreign competition.

TAX - A compulsory payment to the government.

WANTS - Goods and services that consumers would like to have. Sometimes contrasted with "needs," which presumably they must have.